

Concern Tinges Joy in Taiwan

Looking for Frontier of Taipei's New Political Maturity

By Nicholas D. Kristof
New York Times Service

TAIPEI — After 38 years of authoritarian rule and a smoldering propaganda war with the Communist government in China, Taiwan brims with expectations of greater democracy and renewed contacts with the mainland.

In the last few months alone, the government here has lifted martial law, abolished most foreign exchange controls, permitted the publication of some mainland literature and allowed direct visits to Hong Kong, which many residents of Taiwan use as a stepping-stone for surreptitious visits to China.

The government also says it plans to allow residents to visit relatives on the mainland, to lift many restrictions on newspapers and to legalize new political parties.

The plans seem to reflect a new maturity in Taiwan, which is still largely governed by the remnants of the Nationalist forces that fled to the island after being defeated by the Communists on the mainland in 1949. Almost everyone now recognizes that the Communists will not be defeated on the battlefield. People say democracy may be a more effective weapon.

"This is a kind of counterattack on the mainland, a political assault rather than a military one," said John H. Chang, the deputy foreign minister, in an interview. "We will definitely have a big impact on mainland China. The people there will see what is happening on Taiwan, and they will demand the same from their government."

Yet if there is a smugness at the thought of complicating the lives of officials in Beijing, there also is apprehension at what the new openness will do to Taiwan.

Already a major Taipei newspaper has defied the government by sending two reporters to the mainland before the travel ban is lifted. And al-



UNREST CONTINUES — An Israeli soldier blocks the path of a Palestinian woman Tuesday at a refugee camp near the town of Ramallah on the West Bank in the seventh day of unrest in the Israeli-occupied territories. In East Jerusalem, the police fired tear gas to break up a crowd throwing rocks near a high school.

Kiosk

Haiti Candidate Shot and Killed

PORT-AU-PRINCE, Haiti (AP) — Police on Tuesday shot and killed Yves Volé, a leftist presidential candidate, who was demanding in a speech near police headquarters that an alleged political prisoner be released, witnesses said.

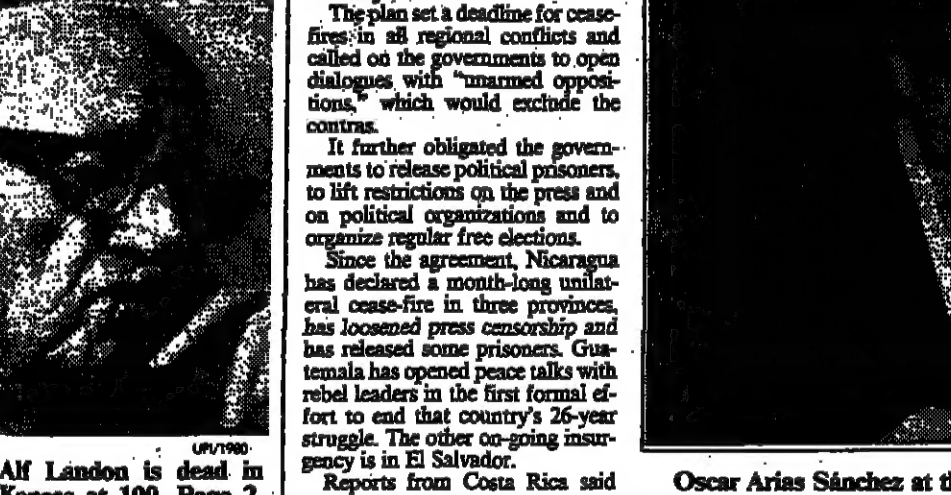
Plainclothes police walked out of the station, approached Mr. Volé of the Christian Democratic Rally, beat him and then shot him, a reporter from Tele Haiti said.

In a communique from police headquarters, police said Mr. Volé had been armed and that they were looking for "his accomplices."

Mr. Volé, a lawyer, was a minor candidate among the roughly 30 who are running for president in elections set for Nov. 29. He was a critic of the ruling junta of Lieutenant General Henri Namphy.

Car Bomb in Harare

HARARE, Zimbabwe (UPI) — Two anti-apartheid activists were among four persons seriously injured Tuesday in a car-bomb explosion at a Harare shopping complex, officials said. The victims identified as Jeremy Brickhill and his wife, Joan.



AF Landon is dead in Kansas at 100. Page 2.

GENERAL NEWS

- Indian troops continued battling toward the Sri Lankan city of Jaffna, despite fierce Tamil resistance. Page 7.
- Amidou Mahtar M'bow again fell short in voting for the UNCTAD leadership. Page 8.

BUSINESS/FINANCE

- IBM's profit rose 12 percent in the third quarter, largely because of a lower-than-expected tax rate. Page 17.

Dow close: UP 36.72
The dollar in New York:
DM \$ 1.44 Ym FF
L325 L646 143.90 6.07

U.S. Won't Permit an Expanded Gulf Role

By Molly Moore and David B. Ottaway
Washington Post Service

WASHINGTON — U.S. officials confirmed Tuesday that the military command in the Gulf had raised the issue of extending its protection to non-American ships threatened by Iranian attacks, but the officials said the suggestion had been rejected.

There's been no change in our policy," said the principal White House spokesman, Martin Fitzgibbon. "U.S. forces are there to protect U.S.-flag ships and in some cases ships carrying U.S. military matériel."

According to Western sources, Rear Admiral Harold J. Bernsen, commander of the U.S. Middle East Task Force, had asked for greater latitude to strike at Iranian gunboats if any merchant ships under attack in the Gulf called for assistance.

Sources in the administration of President Ronald Reagan said privately that the U.S. military commanders in the Gulf had been raising a series of questions about the current "rules of engagement," such as what action they should take if they encountered "a ship in need" that is U.S.-operated but flying a Panamanian or Liberian flag.

Another question involves the rules governing "hot pursuit" of Iranian speedboats caught in the act of attacking or laying mines in international waters, according to administration sources.

Three U.S. helicopters last Thursday night fired machine guns and rockets at four Iranian gunboats near Farsi Island after they were fired upon, according to the Pentagon. One was sunk and two others were captured, but the fourth escaped, the Pentagon said.

On Tuesday, the Pentagon spokesman, Fred S. Hoffman, took issue with a news report that it was an armed helicopter gunship, and not an unarmed observation helicopter, that the Iranians had initially fired upon.

He said the Pentagon's initial reports were correct, an assertion disputed by other Defense Department sources, who said the craft were special operations MH-6 helicopters, which are heavily armed.

Arias Pact: Uncertain Progress

By William Branigan
Washington Post Service

MEXICO CITY — Two months after the signing of an agreement by which President Oscar Arias Sánchez of Costa Rica has been awarded the Nobel Peace Prize, the Central American governments and insurgencies involved have made greater progress than expected toward complying with the accord.

But it is still uncertain whether these moves will amount to more than collectively going through the motions of peacekeeping and actually ending the rebellions, repression and economic destruction that have devastated Central America for years.

And, in one of numerous details that the plan seems to have glossed over, no provisions have yet been made to finance such endeavors as an international verification commission and a Central American parliament.

The main cause for hope is that the peace plan, largely written by Mr. Arias, has generated a certain momentum since it was unexpectedly signed in Guatemala on Aug. 7 by the presidents of Nicaragua, El Salvador, Honduras, Guatemala and Costa Rica. The surprising triumph of reach-

Pakistan Rejects More Assurances to U.S. on Atom Program

By Michael Geder and Richard M. Weintraub
Washington Post Service

ISLAMABAD, Pakistan — Prime Minister Mohammad Khan Junejo has ruled out any further assurances to the United States on Pakistan's nuclear program as a way to overcome obstacles to continued U.S. assistance.

"We gave commitments at an earlier stage, and as an elected government I will only go further" to the extent that India, Pakistan's archrival, also is included, the prime minister said in an interview this week. His comments underscored the defiant mood in Pakistan to the U.S. law that blocks aid to a country found to be developing nuclear weapons.

"It must be made clear that Pakistan can't be singled out on this issue," Mr. Junejo said.

The United States has suspended its \$4 billion, six-year aid program to Pakistan because of a procedural tangle in Congress and Pakistani nuclear developments. Washington now faces longer-term decisions on whether to revise its approach to nuclear nonproliferation laws or risk a wider break with Pakistan by cutting assistance.

The administration of President Ronald Reagan and some members of Congress argue that the future of the Afghan resistance against Soviet troops would be jeopardized by an aid cut because the military supply effort to the rebels is widely assumed to be carried out through Pakistan.

Mr. Junejo insisted in the interview, however, that Pakistan's policy on Afghanistan is a separate issue from the U.S. aid program.

In the interview, the prime minister made these other points:

- He spoke warmly of the changed Soviet attitude toward Pakistan and toward ending the eight-year Afghan war.
- He said Pakistan was in contact with a key figure in a case involving alleged Pakistani attempts to buy nuclear-related materials in the United States.
- He suggested that India was behind Pakistan's current troubles with the United States over the nuclear issue.
- He acknowledged that recent bombings in Pakistan had created new pressure on his government to place restrictions on the three million Afghan refugees now living in Pakistan.
- The nuclear issue has placed an unusual strain on relations between the United States and Pakistan in recent months, after years of growing ties following the Soviet intervention in Afghanistan. Pakistan's nuclear program has been an issue of contention throughout the period, however, because of the U.S. law linking aid to nonproliferation.

In the past, Pakistani officials have given assurances that they are not developing an atomic bomb.

See NUCLEAR, Page 2

Ukrainian Miracle Perplexes Communists

Sightings of Virgin Mary Draw Pilgrims, Give Surge of Energy to Church

By Felicity Barringer
New York Times Service

TERNOPOL, U.S.S.R. — "Yes, I saw it, around there," said the young man, standing in the courtyard of the Church of the Nativity and pointing up. "It was a mist — well, more of a shadow, something dark" that flickered along the gray stones of the wall.

The evanescent figure, he believed, was the Virgin Mary.

He was not the first. A blossoming of reported sightings of the Virgin, usually silent and usually glowing, drew 100,000 visitors to the religiously fertile soil of the western Ukraine last spring and gave a surge of energy to the Ukrainian Catholics, the Eastern Rite Catholics who make up the largest underground church in the officially atheist Soviet Union.

The sightings also presented Soviet Ukrainian officials with a particularly knotty problem: how to deal with the distressingly real consequences of a miracle associated with a church that, officially, no longer exists.

According to reports in official and unofficial Soviet publications, the series of miraculous visions started in mid-May, in the small village of Grushevo in the Lvov region. A girl, surprised at seeing a light in a long-closed church, looked inside and saw a shining female figure surrounded by radiant light and carrying a child.

The officially approved Orthodox Church, like the Ukrainian Catholic Church, reveres the Virgin Mary, but it lacks the Catholic tradition of considering her an intermediary between a simple man and his god. Religious visions are clearly linked with Catholicism.

Catholicism, at least in the form that the Ukrainians practice it, with Byzantine rites and the Slavonic language, officially ceased to exist in the Soviet Union in the first decade after World War II, when Stalin dismantled the church.

The series of reports of an apparition of the Virgin Mary was but one of the recent stirrings of the Ukrainian Catholics.

When the Ukrainian Catholic leader, Iosip Terelya, was permitted to leave the country in August after having been released from a labor camp, he delivered to Pope John Paul II an appeal by two men who identified themselves as bishops in the underground church, asking papal support.

The Vatican has issued no official response.

The Soviet Constitution, although declaring atheism the official state belief, permits established churches to conduct their religious affairs. But for the Soviet Government, the Ukrainian Catholics exist only in disarray, so the provision would not apply.

Researchers at Keston College, a British institution that keeps track of religious issues in the Soviet Union, estimate that there are as many as three million Ukrainian Catholics.

What is a good Communist of 1987 to do, when his neighbors, his neighbors' neighbors and visitors from as far away as Soviet Georgia and Central Asia gather in his district waiting for a miracle with distinctly Catholic overtones?

According to people interviewed in Ternopol and press accounts in Moscow News and Literaturnaya Gazeta, some of the worshippers come bearing money, others bring gifts and others simply bring votive candles and the hope that a sick child would get well, a son would survive a tour in Afghanistan or a drunken son-in-law would mend his ways.



NEW CHARGES — Ernest Saunders, Guinness PLC's former chairman, left a London court after being charged with 37 new counts in the Distillers takeover battle. Page 15.

Iran Hits School in Baghdad

Powerful Missile Leaves 32 Dead, Over 200 Injured

By Patrick E. Tyler
Washington Post Service

DUBAI, United Arab Emirates — An Iranian missile warhead smashed into a central Baghdad schoolyard Tuesday, killing 29 children and three adults and wounding more than 200 people in the area, according to Iraqi officials and Western diplomats.

Iran's Revolutionary Guards Corps said in a statement from Tehran that the missile was fired at Iraq's Defense Ministry compound in retaliation for Iraqi bombings of civilian targets in Iran, including an attack Monday on a school in a village in Lorestan Province.

The missile, presumably a long-range weapon of the type Iran has purchased from Libya, fell 12 miles (20 kilometers) from the Defense Ministry.

Iraqi officials did not allow the release of the precise location of the school under a policy designed to prevent Iran from learning the accuracy of its missile strikes.

Iraqi officials said at least 98 people were seriously wounded by the explosion, which destroyed 30 houses and blew out windows in hundreds of houses and buildings within a mile of the school.

The missile struck at 7:55 A.M. as 650 elementary pupils were preparing to enter classes at the Palace of the Martyrs School.

Reuters reported from Baghdad that the school grounds looked like an earthquake zone and that other witnesses had said the school building collapsed, sending a huge cloud of dust and smoke into the air over the city.

The school's principal, Ismail Geitan Jassim, who was 300 feet (90 meters) from the impact site, wept as emergency teams searched for bodies.

"I collapsed," he said describing the moment of impact, "and when I got up it looked like a battle-ground, an earthquake. Everything was rubble."

The timing of the attack appeared certain to further inflame the Gulf War as both sides prepared for the annual rainy season offensives along their 700-mile frontier.

In the Gulf on Tuesday, an Iranian missile was fired into the air over the city.

See GULF, Page 2

Gorbachev Vows He'll Remove Foes

By Michael Geder
Washington Post Service

MOSCOW — Mikhail S. Gorbachev vowed Tuesday to drive his opponents out of office but said he was not planning a Chinese-style Cultural Revolution.

"I do not want to be understood as if I am issuing calls in the way that was done during the 1966-76 Cultural Revolution in China, to open fire on the headquarters," Mr. Gorbachev, the Soviet leader, said at a public meeting in Leningrad.

"No, comrades, that would be a mistake," he said. "It is simply a question of those cadres who cannot reconstruct themselves and who do not take to heart the ideas of restructuring and who in essence are standing in the way of restructuring."

Mr. Gorbachev, whose remarks were broadcast on Soviet television, recalled that he had visited Leningrad shortly after his election as general secretary of the Communist Party in March 1985 and had made clear then his determination to renew Soviet society.

"Two and a half years is a long enough time," Mr. Gorbachev declared. "We were tolerant and democratic. But those who continue to wait must go. I mean the people who head work collectives, districts and cities."

And he added: "It is very important for us that the mechanism of the country's administration, the new principles of the functioning of all spheres, above all the economic, do not break down."

"All the opponents of the restructuring use this in order to discredit the restructuring."

Conservatives Press Reagan to Rebuke Soviet on Arms Treaty

By Michael R. Gordon

New York Times Service

WASHINGTON—Some conservative Republican senators are pressing the Reagan administration to reach Moscow of a new arms-control violation, the opening salvo in their campaign to block approval of an emerging agreement to ban medium- and short-range missiles.

The senators, most of whom have been consistently critical of President Ronald Reagan's moves to reach arms-control accords with the Russians, have indicated that they would like to use the charge to dramatize their assertion that the Russians cannot be trusted. The latest allegation is that the Soviet Union has violated the 1972 Anti-Ballistic Missile Treaty.

Administration arms-control officials met Friday to discuss the position of the senators and to assess intelligence reports about the issue, which concerns the purported deployment of mobile ABM radars.

The issue is potentially difficult for the administration, which in the past has lodged numerous charges of Soviet violations of arms-control treaties. But the administration is now actively working to ensure that the emerging treaty, once it is signed, will be approved by the Senate.

Secretary of State George P. Shultz and Soviet

leaders are expected to work out final issues on the new treaty when Mr. Shultz visits Moscow next week. The pact is expected to be signed when Mikhail S. Gorbachev visits the United States later this year.

Administration officials say the developments involving the purported ABM radars are of more political than military importance. Government officials are sharply divided about the validity of the charge and some say that it is premature to charge that there has been a breach of the 1972 treaty.

The effort by the senators is being led by Jesse Helms, Republican of North Carolina. He and 19 other senators sent a letter to Mr. Reagan last month asking that the administration provide a report to Congress by December discussing the matter.

"We believe that it would be unwise to sign any new agreement with the Soviet Union until the official report has been sent to Congress on the purported violation," the letter said.

"This is the opening salvo," said an aide to Mr. Helms, who added that the senator was determined to make the purported violation an issue even if the administration does not submit its report soon.

At issue is the significance of intelligence reports about two old radars that have been seen at an electronics installation near Kiev, in the Ukraine. According to administration officials, some of the

conservative senators have privately raised the concern that the radars have been deployed in violation of the ABM treaty, which restricts the testing and deployment of anti-missile systems.

Some arms-control supporters challenge the veracity of the charge and assert that the conservatives are trying to sabotage the new arms agreement and undermine the ABM treaty.

"It is a clear attempt to exaggerate a minor Soviet military program which past administration's have examined and concluded is not a violation," said James P. Rubin, assistant director of the Arms Control Association, a private group.

The debate concerns two types of old, transportable Soviet radars that may be capable of performing anti-missile functions. The two types of radars, which have been dubbed Pawn Shop and Flat Twin by intelligence experts, were first observed 15 years ago.

Several have been kept at the Soviet Union's ABM test ranges at Sary-Shagan in Kazakhstan and on the Kamchatka Peninsula in the Soviet Far East.

The Reagan administration has cited these radars as a potential violation of the ABM treaty's ban on the development and deployment of mobile ABM radars. But the administration has also said the evidence is ambiguous.

If the Soviet Union is involved in an effort to build a nationwide missile defense system, it would need hun-

dreds of such transportable radars, or perhaps more, some government officials say. Moreover, the radars at the test ranges are based on old technology, and some officials say a defensive system would require more modern mobile radars.

Last year, the State Department confirmed reports that most of the old radars had been removed or dismantled.

But now the United States has received intelligence reports that one Flat Twin and one Pawn Shop radar have resurfaced at the electronics installation near Kiev, administration experts say. This has reopened the issue.

Some officials said the radars appeared to be undergoing a modification and were not operational.

"We know that they are not configured as they were at Sary-Shagan," a government expert said. "We don't know what that means."

Civilian officials at the Pentagon and some hard-liners at the Arms Control and Disarmament Agency are said to be urging the administration to accuse the Russians of violating the ban on mobile ABM radars. Some State Department and other officials are said to take the view that the administration does not have a firm basis to charge the Russians with a violation.

"Nobody knows exactly what is happening," a government expert said. "That's why this whole thing is so premature."

Chaumet Affair Touches French Justice Minister

By Barry James

International Herald Tribune

PARIS—The scandal surrounding Chaumet & Compagnie, the high society jeweler, touched the French government Tuesday, with the Justice Minister, Alain Chalon, starting a libel action against Le Monde for accusing him of keeping a secret cash account with the bankrupt Parisian firm.

Le Monde said Chaumet had acted as an illegal banker, taking money from clients under the pretext of fictitious jewelry transactions and enabling them to evade taxes and, possibly, to export capital illegally. The newspaper also quoted a senior but unidentified magistrate as saying some accounts may have been used in cash laundering operations.

Mr. Chalon dismissed the allegation that he kept a secret account with Chaumet as a "political maneuver" orchestrated by his Socialist opponents.

In interviews with the newspapers Le Figaro, France-Soir and Liberation, Mr. Chalon acknowledged that since 1972 he had an account with Chaumet on which interest was paid. But he said this was connected with the buying and selling of jewelry, and that all interest had been correctly declared to the tax authorities.

Le Monde in a subsequent story, said that Mr. Chalon's declarations served to substantiate its allegation against him.

The newspaper said Mr. Chalon not only had concealed his relationship with the company but that his double role as justice minister and creditor had created a conflict of interest.

Jacques and Pierre Chaumet, the brothers who formerly controlled the jewelry company on the Place Vendôme, filed for bankruptcy on June 11 with debts of about 1.8 billion francs (\$300 million).

They were jailed two days later on charges of fraud and breach of trust, and on Monday they were ordered held for a further two months while investigations continue. The charges were connected with the alleged use of creditors' assets for financial speculation and to conceal the company's bankruptcy.

On July 10, a Paris commercial court awarded control of the company and its branches in Geneva, Brussels, New York and London to Arabian Investment Banking Corp., or Investorcorp.

The opening of legal proceedings against the Chaumets, Le Monde said, had placed Mr. Chalon in "an uncomfortable position."

"He is judge, as titular head of the department in charge of investigating the Chaumet brothers, and plaintiff in his position of a private person seeking to recover the unpaid amount of his credit, estimated at 6.3 million francs," it said.

Citing documents seized at the time of the bankruptcy, Le Monde said the Chaumet brothers had turned the company into a "hidden bank," taking loans from Mr. Chalon and 73 other people, and paying interest as high as 14 percent. It added the brothers had been acting as bankers to some of their clients since 1982, when they first began having financial difficulties.

A communiqué issued by the Ministry of Justice said the articles in Le Monde followed questions raised in parliament by Edith Cress-



Alain Chalon, the French justice minister.

son, a former Socialist minister, "and clearly form part of an orchestrated campaign." It said Mr. Chalon would take legal action "to repair the harm caused to his honor and that of his family."

Mr. Chalon, who took office last year after conservatives won legislative elections, said he had

NUCLEAR: Rejection by Pakistan

(Continued from Page 1)

weapon, and the Reagan administration has consistently waived the aid restriction.

But a new controversy arose recently following published accounts of private U.S. assessments of Islamabad's nuclear program, statements by top Pakistani scientists and the arrest of a Pakistani in Philadelphia this summer on federal charges of trying to buy a type of steel widely used in nuclear programs.

It is believed that Pakistan has developed most or all of the components of a nuclear device but has not assembled one. India exploded a nuclear device in 1974. Both countries maintain that their nuclear programs are only for peaceful purposes.

Mr. Junjo said he had investigated the Philadelphia case, involving Arshad Pervez, and concluded that "Pakistan had no hand in it at all." He said the steel "which was to be exported to Pakistan" could have been purchased in other countries.

"Why should I go to the United States and create a problem for myself?" Mr. Junjo said. "Common sense says we would not go and create an issue when we are already under a difficult situation."

As a result, Mr. Junjo said he and his advisers believed that India

was behind a plan to disrupt U.S. aid to Islamabad. Indian officials have denied any involvement.

Mr. Junjo said his government knew the whereabouts of a former brigadier general in the Pakistani Army, Imam ul-Haq, who is widely believed to have been Mr. Pervez's contact in Pakistan. But, he said, he would not reveal General ul-Haq's version of events until he received documents on the case requested two months ago from the United States.

U.S. officials are believed to be eager to question the general.

Mr. Junjo said that ultimately Pakistan could survive a cut in U.S. aid. "We hope we will succeed, but if it is going to be otherwise, we have to draw a new line," he said.

"That new line," he added, means that Pakistan needs "to generate our own good resources."

"We have the capability to meet our requirements," Mr. Junjo said.

And he added that even if aid were cut off Pakistan's policy toward Afghanistan would not be changed.

"There was no U.S. aid to Pakistan in 1979 when the Afghans first came," he said. "We will pursue our policy on Afghanistan. That is very clear."

Alf Landon, 1936 Loser to Roosevelt, Dies at 100

The Associated Press

TOPEKA, Kansas — Alf Landon, the former Republican governor of Kansas whose presidential hopes were swamped in Franklin D. Roosevelt's landslide in 1936, died Monday. He was 100.

A sense of humor

New York Times Service

Alfred Mossman Landon, who preferred to be known as Alf, was the father of Senator Nancy Landon Kassebaum, Republican of Kansas. He was hospitalized Sept. 28 at St. Vincent's Regional Medical Center. After treatment for a gallstone and mild bronchitis he returned home Oct. 10.

Mr. Landon received President Ronald Reagan and his wife, Nancy, at his home last month in honor of his 100th birthday Sept. 9.

In his landslide loss to Roosevelt, Mr. Landon carried only two

states, Maine and Vermont. He later said of the defeat, "As Maine goes, so goes Vermont."

He displayed the same sense of humor a month after the election, when as the outgoing governor of Kansas, he addressed the Gridiron Club, an organization of Washington newspapermen.

"If there is one state that prepares a man for anything, it is Kansas," he said. "The Kansas tornado is an old story. But the Kansas tornado is not the only thing that comes out of Kansas. It is the only thing that comes out of Kansas that is not a disaster."

Mr. Landon could bear his defeat with equanimity partly because he had no real hope of winning and partly because he did not fear for the future of the nation, as did many of his fellow Republicans, if Roosevelt was re-elected.

Throughout his life Mr. Landon was a member of party's liberal wing. As governor of Kansas he endorsed many of the most controversial aspects of the New Deal. He respected and admired Roosevelt.

Despite all this, Mr. Landon came to be thought of in later years as the prototype of Middle Western provincialism and conservatism.

After the defeat, Mr. Landon did not seek public office again. He became a genial, unassuming pillar of the business community in Topeka, which was the headquarters of the oil-well business that had made him a millionaire by the late 1920s.

In 1932, Mr. Landon ran for governor. Wearing his oil field work clothes and the battered brown fedora that was to become a trademark, he campaigned in villages across the state. He defeated the Democratic incumbent to become the only Republican gubernatorial candidate west of the Mississippi to survive the New Deal avalanche.

In 1934, Landon was the only Republican gubernatorial candidate in the country to be elected.

NOBEL: Arias Wins Prize

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chancellor of West Germany; Henry A. Kissinger and Le Duc Tho for the ill-fated Vietnam peace accord; and Anwar Sadat of Egypt and Menachem Begin of Israel for the peace pact they signed.

What was unusual about this year's award, however, was that Mr. Arias was rewarded for achievements that were made after the Feb. 1 deadline for nominations. Mr. Aarvik acknowledged that unlike most past laureates, the Costa Rican president was nominated by only one person, a Swedish parliamentarian.

Mr. Arias, 46, held his first meeting with the leaders of Guatemala, El Salvador, Honduras and Nicaragua shortly after he was elected president last year.

The initial discussions centered on proposals made by the so-called Contadora group of South American governments, but early this year Mr. Arias called a new meeting at which he submitted his own plan, which led to the agreement signed in Guatemala on Aug. 7.

TREATY: Central Americans Move on Peace Plan but Uncertainties Remain

(Continued from Page 1)

ambassador in the region said recently. "It is an agonizing process."

On the other hand, a major cause for pessimism is that, as a diplomat in Honduras put it, "this agreement is not underwritten by enough good faith or compulsion to make people comply." Instead, he said, "success is based on all the countries doing a fairly complicated ballet, and gradually little bits and pieces will get out of kilter."

Despite some early opposition from rebel groups fighting the governments of Nicaragua, El Salvador and Guatemala and the apparent reluctance of Honduras, all the Central American parties concerned have now fallen into line and formally accepted the accord. They realize they cannot seem to oppose "peace" and go against a plan that has such great international support.

The signing of the plan appeared to catch the Reagan administration by surprise. Since then, the White House has been left groping for a policy that would reconcile a political need to show some support for

the peace plan with the thinly veiled aim of overthrowing Nicaragua's Sandinist government by military force.

So far, the main accomplishments under the peace plan have been the creation of "national reconciliation commissions" in all of the countries except Honduras, the initiation of formal peace talks between government and rebel representatives from both El Salvador and Guatemala and a political opening in Nicaragua.

The Sandinists have restored some freedom of the press, allowed exiled church leaders to return, released imprisoned foreigners accused of counterrevolutionary activities and opened greater space for opposition political parties. But they have done nothing so far to diminish the control of the ruling Sandinist National Liberation Front over the armed forces and state security apparatus. Nor have they taken any action suggesting a change in their view that the front occupies a place in society on a par with the state.

To further demonstrate compliance with the peace plan, the Sandinists have called limited unilateral cease-fires in three specific areas of the country and have been seeking contacts with contra field commanders regarding an amnesty. But they have steadfastly refused to talk to the contra leadership about a negotiated cease-fire or other peace provisions on grounds that these leaders are puppets of the Reagan administration.

In El Salvador, President José Napoleon Duarte last week held talks in the capital with leaders of a rebel alliance made up of the Farabundo Martí National Liberation Front and its political arm, the Frente Revolucionario.

The group set up two joint commissions to seek a negotiated cease-fire and agreements on other provisions of the Arias peace plan. But the Oct. 4-5 meeting produced no softening of the rebels' fundamental demand for participation in a "transition" coalition government or of Mr. Duarte's insistence that the rebels abandon violence and join the political process.

Mr. Duarte said that if the cease-fire commission were unable to reach an agreement by Nov. 5, he would declare a unilateral cease-fire to comply with the peace plan's provision for Central American truces within 90 days of signing.

In Madrid, representatives of the Guatemalan government and a rebel coalition called the Guatemalan National Revolution Union last week held the first formal peace talks in that country's 26-year-old guerrilla war, but reached no agreement beyond pledges to study each other's proposals.

Both sides called the Oct. 7-9 talks a first step toward peace, but declined to say if they would meet again. The talks appeared to founder on the government's demand that the estimated 2,000 rebels lay down their arms and the guerrillas' refusal to do so without a broad political agreement.

In Honduras, there has been no sign yet of moves to comply with the peace plan's prohibition on rebels' use of one state's territory for "aggression" against another — a provision that Nicaragua says requires the removal of contra bases from Honduran soil.

Kidnappings Rekindle Italian Debate on Gulf

By Loren Jenkins

Washington Post Service

ROME — The kidnapping of three Italian engineers by pro-Iranian Kurds threatened Tuesday to reopen the still simmering Italian political debate over its naval presence in the Gulf.

Prime Minister Giovanni Goria, who last week ordered an eight-vessel flotilla to sail for the Gulf to protect Italian shipping, only last week succeeded in dampening opposition to the move by defending his actions in detail before an often hostile parliament.

New dissent arose when it was revealed Monday night that Mr. Goria's government had withheld the news that pro-Iranian Kurds were holding three Italians in exchange for an Italian naval withdrawal from the Gulf.

It took a note delivered in Beirut on Monday from the so-called National Union of Iraqi Kurds announcing the kidnapping to get the Italian Foreign Ministry and later Mr. Goria to admit that the three Italians had in fact been kidnapped in northern Iraq.

The government defended its actions on the ground that it had been conducting "secret diplomacy" to try to get the three released.

The prime minister's office said the three had been kidnapped five days ago. But Foreign Ministry statements said that one had been kidnapped a month ago and that the two others disappeared two weeks ago.

Opposition groups ranging from the Italian Communist Party to the rightist National Movement accused the government of bad faith in hiding the fact of the kidnappings during the parliamentary debate last week.

Although many members of parliament said Tuesday that the gov-

TAIWAN: Greater Democracy, Broader Mainland Contacts Are Expected

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four opposition parties have been formed. In a sign that the government is willing to tolerate only so much dissent, two dissidents charged were recently with sedition for advocating that Taiwan become an independent country.

That is a heresy in both Taipei and Beijing. The only thing the Communists and Nationalists agree on is that Taiwan is an integral part of China. The disagreement is that each side regards itself as the legitimate ruler of the whole.

It is the prospect of links to the mainland that most interests people in Taiwan.

"We'll visit at the beginning of next year," said a Taipei-born secretary who has never seen the relatives of her father, who live just 400 miles (650 kilometers) away on the mainland. "My father can hardly wait."

There are complications, of course. "My mother refuses to come along," the secretary added. "She's not excited about meeting my father's previous wife on the mainland."

Will the next step for the government be to allow, restricted trips or even limited trade with the mainland?

"One thing at a time," said Shaw Yu-ming, the chief government spokesman. "We want to move cautiously."

British Find 2 Mines

The Defense Ministry in London said a British minesweeper found two mines off the United Arab Emirates port of Fujairah on Tuesday, Reuters reported.

The minesweeper Brecon located both mines on the seabed at a depth of about 300 feet using sonar equipment during a routine sweep around anchorages off Fujairah, ministry spokesmen said.

They are the first mines the British Navy has found since four of its minesweepers arrived in the Gulf last month. The spokesman was unable to identify the mines.

GULF: 32 Killed in Iraq

(Continued from Page 1)

an warship attacked a Saudi Arabian tanker, the Petroship B, in the territorial waters of Dubai, according to shipping sources. The 39,115-ton tanker was on its way out of the Gulf when the Iranian frigate opened fire, slightly damaging the tanker, the sources said.

Meanwhile, a large convoy of Kuwaiti tankers flying the U.S. flag sailed from Kuwait on Tuesday for a journey in the northern Gulf after a journey from the Strait of Hormuz.

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Although many members of parliament said Tuesday that the gov-

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'Compressed Weeks' Lift Office Morale, but Are They Efficient?

By Judith Havemann
Washington Post Service

WASHINGTON—Every other Friday, four attorneys and field examiners in the small Oakland, California, office of the National Labor Relations Board take the day off because they are working a "compressed week." On alternate Fridays, three other attorneys and field examiners are scheduled to stay home. Different staff members regularly take every other Monday off.

Most employees love the schedule. But is it good for the government?

Nearly 10 years after Washington began to experiment with alternative work schedules, some managers say that one popular "flextime" choice—a day off every two weeks in return for slightly longer hours—

does little more than offer employees regular three-day weekends.

"This is not a schedule I would implement if I were an office manager," said Stanley Nollen, professor of business administration at Georgetown University.

It "does nothing whatsoever to change an employee's sense of control and responsibility," he said, adding: "It just gives the impression of more vacation, which is hardly in the spirit of dedication to a job."

Donald W. Hasbargen, a Minneapolis management consultant, said he thinks compressed work schedules can change the psychology of an office.

"A lot of time, working professionals like lawyers and engineers tend to work more hours than scheduled," he said, but a "strange psychology develops" when new routines are introduced — "that all you have to work is exactly the schedule."

Nearly 114,000 of the federal government's 2.1

million civil servants are on a work schedule called 5-4-9; it involves taking a day off every two weeks in return for adding a total of eight hours to their work days during each two-week period, according to the Office of Personnel Management.

As a result, some managers say, offices on a 5-4-9 schedule are sometimes thinly staffed on Fridays and Mondays. And the emptying out of government offices at the beginning and end of the week has at least the potential of creating bottlenecks, affecting productivity and chipping away at the work ethic. But supporters say it may improve morale enough to make up for the disadvantages.

One labor relations board attorney, who asked to remain anonymous, said he had been accustomed to working nine hours a day. When 5-4-9 was introduced, he received an extra day off every two weeks with no other change in his routine.

"Longer hours go along with a professional-type person," said Peter W. Hirsch, the National Labor Relations Board's regional director in Philadelphia. "Professional occupations have a different ethic" than jobs governed by clock-watching, he said, and among professionals there has always been a feeling "that if it's necessary to work extra hours, it goes with the territory."

Kathleen McCarthy, an attorney on the 5-4-9 schedule in the board's Boston office, sees it differently. "I disagree with the idea that we are somehow cheating because the government is not getting as many freebies as it got before," she said.

She noted that occasionally she has had a case in Providence, Rhode Island, that ended at 5 P.M. and then had an unpaid hourlong drive home. "Now I get paid," she said.

Reagan Tones Down His Language on the Bork Nomination

By Lou Cannon
Washington Post Service

SOMERSET, New Jersey — President Ronald Reagan on Tuesday toned down an appeal for his Supreme Court nominee, Robert H. Bork, deleting from his speech an accusation that Judge Bork has been the victim of a sophisticated campaign of smears and lies.

Mr. Reagan's revised strategy was announced three hours after White House aides distributed the text of a combative speech the president was to make to the New Jersey Chamber of Commerce in

which he blamed Mr. Bork's plight on "a few liberal special interests" that "have declared a war of conquest on the American system of justice."

Instead, Mr. Reagan said mildly that "Judge Bork and I agree that there are no illusions about the outcome of the vote in the Senate, but we also agree a crucial principle is at stake."

"That principle," he said, "is the process that is used to determine the fitness of those men and women selected to serve on our courts — and the ultimate decision will impact on each of us and each of our children if we don't undo what has

already been done and see that that kind of performance is never repeated."

The White House spokesman, Martin Fitzwater, said Mr. Reagan would make a six- to seven-minute nationally broadcast speech Wednesday afternoon urging Judge Bork's confirmation.

Officials said privately that the toned-down approach also reflected a desire by the White House chief of staff, Howard H. Baker Jr., to avoid a bitter and unnecessary exchange between the president and senators who oppose Judge Bork.

For the time being, at least, Mr.

Baker and other pragmatists in the White House appear to have prevailed over conservatives who wanted Mr. Reagan to make Judge Bork the symbol of an ideological confrontation.

Newspaper advertisements sponsored by We the People, a group directed by former Reagan political advisers, last week questioned the personal integrity of Senate Judiciary Committee Chairman Joseph R. Biden Jr., Democrat of Delaware, and two other Democratic members of the committee, Edward M. Kennedy of Massachusetts and Howard M. Metzenbaum of Ohio.

Mr. Reagan's only criticism of the Senate in his speech Tuesday was a comment that the Judiciary Committee hearings on Judge Bork had been "marred by distortions and innuendos."

The White House communications director, Thomas G. Sisk, denied that the administration was trying to "have it both ways" by making public a harsh attack and then substituting more moderate remarks.

■ **Democrats Back a Vote**
Senate Democrats proposed Tuesday an early vote on Judge Bork's nomination, forcing Repub-

licans to ask for more time even though President Reagan has called for quick action.

The majority leader, Robert C. Byrd of West Virginia, said on the Senate floor he was accepting Mr. Reagan's suggestion on quick action for the nomination.

Debate should begin right away, Mr. Byrd said, with a vote at 6 P.M. Wednesday.

But the Senate Republican leader, Bob Dole of Kansas, and the Republican assistant minority leader, Alan K. Simpson of Wyoming, indicated that Bork supporters would need at least three days of debate.

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AMERICAN TOPICS

Where Development Yields to Dirt Roads

Since 1981, Connecticut has permitted towns to designate some roads as scenic to protect them from being paved, widened or otherwise developed, as long as the owners of 51 percent of the road frontage agree.

Four towns have done so: New Milford, Lebanon, North Stonington and Redding, but not without controversy. The New York Times reports:

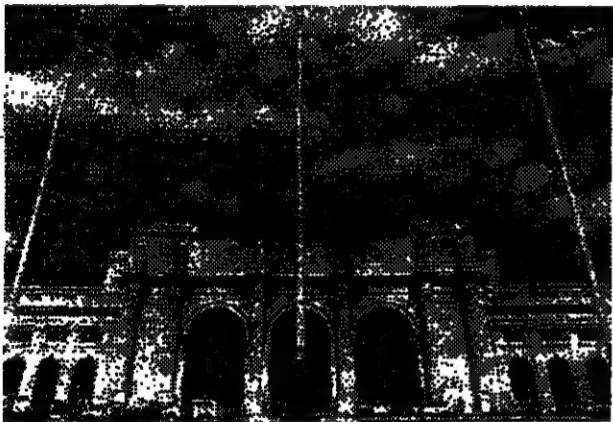
George Chahr, a retired eye surgeon, credits the dusty, bumpy service of Indian Trail Road in New Milford with preserving pastoral charm.

"Keeps away the Sunday drivers in Lincoln, who don't want to bang their heads on the roof or lose their license plates," he said.

Others say dirt roads cost too

Engene Hasenfus, the American mercenary who was shot down while air-dropping arms to the U.S.-backed rebels in Nicaragua, sentenced to 30 years in prison and then pardoned a month later, is suing his former employer, Corporate Air Services, for \$35 million, claiming the company left him broke and facing huge legal bills. The lawsuit says Corporate Air Services was run "right out the back door of the White House." Mr. Hasenfus plans a separate suit against the federal government.

After years of desuetude Washington's Union Station is to be restored to its former magnificence within the coming year with \$140 million — \$110 million from the federal government and \$30 million from private investors. In addition to resuming its full role as a railroad station, it will house film theaters, stores,



Union Station in Washington still presents a fine facade.

much to maintain, endanger school buses and could delay emergency vehicles.

"I was raised in Nebraska on dirt roads, and there is nothing scenic or pleasant about them," said John T. Knepper, a retired oil company executive. "These people aren't talking about preserving scenic roads. What they are really talking about is stopping development. They want their own little private preserve, and the rest of us can worry about finding places for other people to live."

But Robert W. Valkenier, a retired magazine editor, said, "Those of us who have become exurbanites are attracted to what rurality is left."

Short Takes

Yale University went coeducational in 1969, and now the small 20-foot (6-meter) swimming pool at the Yale Club in Manhattan has followed suit. Since 1915, when the present club's building went up, only men have had access to "the plunge," as it is called, and they have chosen to swim nude. Starting this month, women may swim too and all swimmers must wear swimsuits.

Now, a book for singing in the shower. "Shower Song Lyrics" contains 11 show tunes, including "Oh, What a Beautiful Morning" and "I'm Gonna Wash That Man Right Out of My Hair." The book is waterproof and has a handle that can be looped over the shower head. Priced at \$4.95, it is published by Steam Press Books of Watertown, Massachusetts.

—ARTHUR HIGBEE

There is no room for compromise.



Billionaires Double in U.S.

United Press International

NEW YORK — The number of billionaires in the United States nearly doubled this year to 49, their number swelled by an emerging group that includes a 31-year-old computer whiz and an heir to the Campbell soup fortune, Forbes magazine reported.

The magazine annually lists the 400 wealthiest Americans. This year, with an average worth of \$350 million, the value of the Forbes 400 is \$220 billion, a jump of 41 percent from last year and an amount big enough to erase last year's U.S. budget deficit of \$205 billion, the magazine said Monday in releasing the names.

The list will appear in the magazine's Oct. 26 editions.

No. 1 for the third year is Sam Moore Walton, whose assets from his chain of discount outlets based in Arkansas, Wal-Mart Stores, nearly doubled to \$8.5 billion.

Among the 23 newcomers are Jacqueline Mars Vogel, who Forbes said recently determined was an heiress to the Mars confection company's family fortune, and is worth \$1.15 billion.

At 31, William H. Gates won the title of youngest new billionaire. A mathematics prodigy and Harvard dropout, Mr. Gates founded the Microsoft computer company 13 years ago. His stake of 40 percent in it is worth \$1.25 billion.

The oldest among the Forbes 400 is the heiress of the New York Times Co., Iphigene Ochs Sulzberger, 95.

Also on the list for the first time is John Dorrance, the Campbell Soup heir, at \$1.3 billion; August Busch, the Budweiser brewmaster, at \$1.3 billion; and Ted Arison, who built Carnival Cruise Lines and last year took it public, quadrupling his worth to \$1.8 billion.



Lufthansa

Herald Tribune

Published With The New York Times and The Washington Post

Who Sank Judge Bork?

Robert Bork is an honorable man with an impressive record as a professor, lawyer and judge on the United States Court of Appeals. Yet a Senate majority seems lined up against his nomination to be a Supreme Court justice. Why? Mr. Bork angrily blames a campaign of sordid distortion of his positions. He wants to strike a blow against such campaigns and thus insists on pressing his case to a final floor vote.

Mr. Bork is surely entitled to an up-or-down decision. There have been distortions of his positions; the broad battle over his nomination has at times been reduced to slogans. But even if unfair politicking contributed to his apparent inevitable defeat, dwelling on that sweeps aside a more obvious and more powerful explanation: the unacceptability of his constitutional views.

Mr. Bork had a Judiciary Committee hearing of unprecedented care and thoroughness and a fair chance to answer every criticism. The moderate senators who made the difference heard 12 days of testimony. A resounding 9-to-5 majority voted no.

"Robert Bork wants to be a Supreme Court Justice. But the record shows he has a strange idea of what justice is." The narrator of the television ad is Gregory Peck, the movie actor. "He defended poll taxes and literacy tests which kept many Americans from voting. He opposed the civil rights law that ended 'whites only' signs at lunch counters. He doesn't believe the Constitution protects your right to privacy. And he thinks that freedom of speech does not apply to literature and art and music."

Is this 60-second spot fair debate? The nominee apparently feels strongly that it is not. Without identifying detractors he thinks

have been unfair, he angrily complains that "the facts of my professional life have been misrepresented." And he denounces the use of "the tactics and techniques of national political campaigns" in a confirmation fight.

The Peck TV spot, to take an example, is a mixture of exaggeration, understatement and fair debate. Mr. Bork did not defend poll taxes or literacy tests, as the Senate well knows. Senators are disturbed, however, that he criticized Supreme Court decisions holding that Congress had the power to strike them down. But he did oppose the law that desegregated lunch counters, calling its principle one of "unsurpassed ugliness."

He doesn't deny that the Constitution protects some privacy values, but he criticized Supreme Court decisions striking down state laws against contraception and abortion. He has amended his views of freedom of speech, but senators worry about the depth of his conversion.

Why does a Senate majority oppose Mr. Bork's elevation? An important reason is the 1986 election. President Reagan campaigned for a Republican Senate that would confirm his judges; the voters gave control to the Democrats. The lobbying and advertising campaign was another reason. But above all rose the merits of the Bork nomination, as ventilated in fair, exhaustive, sometimes brilliant hearings. Far from settling the doubts of moderate senators, these created new ones for one senator after another.

Whether or not one is comfortable with television spots concerning the Supreme Court, to blame them for Mr. Bork's evident fate confuses supposedly low blows with demonstrably hard ones.

—THE NEW YORK TIMES

True Bush, but No Tiger

Most presidential candidates claim the year in which they are running is a turning point in history, a moment of great decision, when the nation's future for a generation or two is at stake. George Bush, announcing his candidacy Monday in Houston, made no such claims. The crucial election in his view was 1980: "After seven years of hard work, we have" — this was intended? — "righted ourselves." The economy is now growing again, he said, and the United States is on a strong upward trend. "We don't need radical new directions," he went on, "we need strong and steady leadership. We don't need to remake society, we just need to remember who we are."

Mr. Bush comes with the huge built-in advantages and disadvantages of the vice presidency. He used this occasion to say that he is stepping out of the shadow of the president in which vice presidents do and ought to exist and sharing "my own hopes and intentions." But those looking for great policy differences from Mr. Reagan will be disappointed. Mr. Bush wants more spent on college scholarships, and he called for a taxpayers' bill of rights, whatever that is. He pledged, as Mr. Reagan did in 1984, that "I am not going to raise your taxes, period."

He assured us that "I do not hate government." He praised the Reagan record on arms control. He criticized it on the environment. But he was light on specifics.

What Mr. Bush talked about most was obligation — the obligation of a mostly affluent population to the less fortunate at

home and out in the world. Affluence implies "helping your brothers and sisters, whoever they are, wherever they are, whatever their needs." The son of a Wall Street investment banker, he denounced "greed on Wall Street and graft in city hall." In a country whose cultural tone is increasingly set by the gaudy, glitzy rich, Mr. Bush preached an ethic of austerity and service that flows from the best traditions of his family and his party. Attacked as a privileged prep, Mr. Bush recalled the great "samurai achievements: freeing the slaves, providing universal education, assimilating immigrants. Americans have an obligation to serve others in their communities and, in the armed services, America has an obligation to go beyond containment and help 'freedom fighters' in Afghanistan, Africa and Nicaragua."

Mr. Bush has raised \$12 million and leads in polls, but he faces tough initial contests in Michigan, Iowa and New Hampshire and is regarded with derision by most experts. We did not see in Houston the "tiger unleashed" that Mr. Bush promised last weekend, but we saw something more: the acolyte he has often seemed. Mr. Bush has been advised to position himself this way and that; he seems to have decided to present himself much as he is, and make the best of it. He has a campaign "style" problem that distorts rather than reflects the nature of the man. A lot is riding on whether he can overcome it.

—THE WASHINGTON POST

Jackson's Poor Judgment

The Reverend Jesse Jackson has taken great pains to project himself as a serious candidate for the presidency. But the disclosure of his endorsement contract with a chain of business schools raises a serious question about the judgment of this minister who would be president.

A recent ad for the Manhattan branch of the 22-school chain showed Mr. Jackson smiling face next to a quotation combining the famous line of his PUSH self-help campaign with the huckster's line from late-night television: "I want you to be somebody and you can if you try... Pick up that phone and call now!" Mr. Jackson was to be paid for the ad, and for a series of radio and television endorsements as well. But neither he nor officials of the Allied Education Corp. would say how much.

Mr. Jackson does not appear to have done anything illegal. As a spokesman for the Federal Election Commission put it, the purpose of the election laws "is not to keep candidates from making a living but to keep them from making a living by using their office." But neither does Mr. Jackson seem to recognize the dilemma he created for himself. He cannot defend the appearance as campaign-related because if it

is, it probably violates federal election law. But if the contract is not campaign-related, it is the rankest commercialization.

If Mr. Jackson chooses to make a living by peddling his picture and reputation to advertisers, he is free to do so. He is not, however, entitled to expect the electorate then to take him seriously as someone running for president. If he advertises for a business school, why shouldn't another candidate advertise for automobiles? Why shouldn't those companies thrust endorsement contracts before a candidate: Run, in Reeboks! New Balance's Balanced Ticket!

After initially defending his deal, Mr. Jackson said Thursday that he would withdraw from it because it was important that his activities be both "appropriate" and "correct." He seems to have grasped belatedly that there is something profoundly wrong in a presidential candidate behaving as he did.

Presidential candidates are no strangers to advertising and endorsements. But that traffic is usually for themselves, and in a different currency. It is one thing to hustle for votes. Hustling for cash by promoting someone else's business raises an unlikely smell.

—THE NEW YORK TIMES

Other Comment

Getting Out of the Gulf

The temptation for the Western powers to withdraw [from the Gulf] rather than get involved in combat is going to grow. But if the warships were withdrawn, the West's oil supply would be jeopardized and the Arab states would feel abandoned to the mercy of the Islamic revolution. Clearly, unless peace can be achieved, it will be much more difficult to get out of the Gulf than it was to get in.

—New Zürcher Zeitung (Zürich).

The U.S. Senate came out four-square recently in behalf of embargoing all imports from Iran. The vote was 98-0. Not for a long time have so many voted so decisively to accomplish so little. Senator Bob Dole grandly announced that the vote sent a message to Iran that the United States will no longer "tolerate business as usual." That is not likely to set the ayatollahs to trembling. They know positive moral posturing when they see it. So do the American people.

—The Los Angeles Times

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OPINION

Go Slow on Glasnost; a New Era Has Begun

By Stephen S. Rosenfeld

WASHINGTON — The debate in the United States over the Gorbachev reforms is coming to a new phase. No longer is the focus on whether the reforms will deepen and stick. There is still much doubt on that question, but the working assumption now is that the reforms have a good chance of succeeding and that their success would be a surpassing geopolitical event. All this sharpens the question of whether reform would make the Kremlin more mellow or more menacing — and here is the cutting edge — of whether the United States can do anything to make it come out the right way.

One answer was offered last week by the State Department's ranking Soviet-affairs specialist, Thomas Simons Jr. Speaking for the administration's cautious optimists (who on a day-to-day basis are not necessarily predominant), he said that the United States should hold to its present policy course, which he described as being ready to test Mikhail Gorbachev's promise across the board. Of "well-intentioned but ill-sorted" efforts to "help Gorbachev reform," he said, "there is nothing to be gained by offering pre-emptive concessions in the hope they will promote positive change."

Meanwhile, a very different appeal was coming from a bipartisan study group of the Institute for East-West Security Studies (IIET, Oct. 8). Decriing a "purely reactive Western approach," the group suggested the West should "welcome and encourage the reformist indications that Gorbachev has set in motion," and concluded that it was in the United States' self-interest to help the Soviet leader.

In sorting all this out it helps to recall how the Reagan administration's own thinking has progressed. It started out inclined to believe that the Kremlin was hostile, and probably irreversibly so because of its basic nature, and that while the Soviet Union's policy might be blunted by U.S. pressure there was only slight hope — though there was some — that steady pressure would soften the system itself. The Reagan team doubted that Mr. Gorbachev's reform program would be as much, and suspected it might be designed, or in any event used, to give the Gorbachev regime a "breathing spell" for economic catchup.

From this base line of skepticism the administration has, in its fashion, come to terms with Mr. Gorbachev's progress. It isn't that Ronald Reagan's own ambitions for his presidency had nothing to do with it, but, playing political caution, he has moved to engage Mr. Gorbachev more conspicuously in arms control, but in human rights, regional disputes and direct relations, too.

Reaganites are sensitive to any suggestion that their man has tipped away from his old ideological convictions. Quietly, but with some justice, they contend that his earlier analysis

of a Soviet Union under great economic and technological stress was precisely the analysis that Mr. Gorbachev made in turning to reform, and that U.S. pressure — arms competition, the technology and credit squeeze, the contest of ideas and development models — helped aggravate the huge systemic difficulties driving the Soviet leader. It follows that the United States, far from determining to do Mr. Gorbachev a favor, should act in its own interest and sustain a certain level of pressure even in these more civil times.

This strikes me as not only consistent with conservative precept and with Mr. Reagan's obligations to his political base but as sensible and prudent, even assuming, as we have no right to assume, that the United States actually "cajoled" Mr. Gorbachev. Not to play with words, but making "preemptive" concessions, as distinguished from reciprocal ones, could simply invite the Kremlin to pocket unearned gains. I am leery of what might be the substance of the East-West Institute's preferred "creative" response, especially when it is comes from people unable to acknowledge that, in criticizing Mr. Reagan earlier for pushing Moscow too hard, they went too far.

Still, if the "creativity" crowd is on the mushy side, it is on target in recognizing the special quality and opportunity of this moment in East-West relations. When to apply the stick and when the carrot, in what combination and with what intensity: these are the tactical questions that must be tended diligently to make any broad strategy work.

The Washington Post

By Flora Lewis

ST. PAUL, Minnesota — Western experts on East-West affairs who gathered here to discuss "the implications of Soviet new thinking" showed consensus on what Mikhail Gorbachev is trying to do. The debate is moving on now to what the United States and the West in general should do about it.

Few doubt that effective reform in the Soviet Union is desirable. First, there has to be sympathy for an effort to give the Soviet people a better, easier life. And second, while a stronger economy would enhance Soviet power, the steps needed to achieve it almost surely would change the nature of that power so that it is less threatening to others.

Meanwhile, Mr. Gorbachev has issued a series of clear, urgent messages that he wants to calm the international climate and avoid crises so he can get on with his domestic program. There have already been suggestions of important changes in Soviet foreign policy that would be welcome. But to know how far they go, what they mean in concrete terms of reducing danger, can be found only through probing and negotiation on a wide spread of issues.

The conference was organized by the Institute for East-West Security Studies and included officials from Eastern Europe as well as high-level Americans and West Europeans. The Soviet ambassador to the United States was invited but did not come, for one reason because the Twin Cities are on the excluded part of the U.S. map for Soviet visitors.

This is a tit-for-tat measure taken a generation ago when the Cold War temperature was low indeed. Moscow

never removed its restrictions on where Americans can go, so Washington maintains its reprisal. It is a reminder that, despite all the friendly contacts, there is still a vast infrastructure of hostility quite apart from the big military and political issues.

But the East Europeans were here and one of the first points that emerged was the importance of separating questions about Mr. Gorbachev's personal position and his program. Of course he knows what happened during his rocky, two-month disappearance, and nobody accepts the bland, evasive explanations given. Surprisingly, the East Europeans are far less optimistic about his political survival than are many Western experts. They point out the numerous bases of opposition within the regime and the society, and the titanic task of moving the behemoth that is the entrenched Soviet way of life.

However, that doesn't mean that his program can be turned around. The key is pace and timing, and it may be going too fast for a lot of Soviet authorities to accept or to be able to manage. It could be slowed, even stopped for a while if Mr. Gorbachev lost control. But many things cannot be undone, if only because the admissions of history, the lies on which the claim to the legitimacy of total, centralized power has rested.

Steingrimur Hermannsson, the foreign minister of Iceland who recently talked with both the Soviet and Chinese leaders, said Mr. Gorbachev told him that the hardest decision he ever had to make was "to expose the faults of previous Soviet leaders." But Mr. Hermannsson noted, Mr. Gorbachev stressed that the failures were the fault of the leaders, not of the system.

One way or another, a new era has started, Mr. Gorbachev has called it "a revolution without the shots." The Soviets have not gone nearly so far as the Chinese and some East European regimes in questioning the old dogmas of ideology and Stalinist practice. But that is the only direction available if they really want to move. The momentum is inescapable. This is a time of historic transformation with all kinds of possibilities, good and bad.

How should the West respond? Some Americans urge simply a continuation of gloating. That group was not represented at the conference, which recommended a cautious but open-minded search for agreements that serve Western interests as well. The argument that there is no fruitful way to deal with Moscow reflects, in essence, a fear that Western opinion will be carried away with euphoria and will abandon needed caution.

But that is a self-defeating, perhaps self-defeating position. The West has plenty of grounds for confidence, especially now that the East admits it got things quite wrong. Prudence should not be beyond our capacity as we explore dazzling new opportunity.

The New York Times



After all, what are mothers for?

Burt's Right on One Thing: Allies Must Pay More

By Patricia Schroeder

WASHINGTON — Richard Burt has gone native. The U.S. ambassador to the Federal Republic of Germany has caught the epidemic of the Foreign Service. He thinks his job is to speak to the American people on behalf of the government of West Germany. I thought it was supposed to be the other way around.

Mr. Burt's column (H/T, Oct. 9) replays the same tune about why the NATO allies should not be asked to do more. They are contributing more than they did in 1970; European nations maintain a draft; the German countryside is littered with bases and military exercises. But his statistical computations elude me. The fact is that, in 1971, West Germany spent 3.4 percent of its gross domestic product on defense, and by 1985 the figure had dropped to 3.2 percent. U.S. spending stayed about the same, at 6.9 percent.

About 8 of every 1,000 Germans are in uniform; 9.5 of every 1,000 Americans are. More than a half-million of these Americans are stationed in Europe.

How about the question of conscription? The reason the Pentagon is not interested in going back to draft-

ing soldiers is because the all-volunteer peacetime military has been a success. We are attracting high-quality men and women who will serve long enough to master the incredibly complicated weapons we deploy.

Mr. Burt suggests that we measure burden sharing through some indicator like the number of military jets or the frequency of being behind a foreign soldier in the grocery line. If he is recommending reducing the 330,000 U.S. troops in Germany, I agree. If he is arguing that the Germans have their crosses to bear, I cannot disagree. But if the burden of U.S. troops stationed in Germany is too great, the Germans could field more of their own and ask us to remove some of ours.

My defense-protection-free proposal links the trade war and the Cold War. Mr. Burt says it "seems more than a thinly veiled attempt to gain greater support for protectionist policies than a serious effort to stimulate greater Allied defense spending." He's shooting at the wrong target. I'm no protectionist. I voted against the Gephardt Amendment to the trade bill. And Mr. Burt cannot seriously believe that the 3.2 percent tariff my bill would impose on German goods would protect U.S. manufacturers. How many Yuppies are going to switch to Chevys because the cost of a BMW 325 is going up \$740?

The fact is that we are in two global conflicts. In one — the dangerous competition between the superpowers — Germany and the other NATO members, as well as Japan, South Korea and other Asian nations, are our allies. We need them, they need us. In the other — the trade war — Germany, Japan and South Korea are some of our most successful rivals. And we are being taken to the cleaners.

The link between security and trade is clear. Japanese goods can enter the United States cheaply because we deploy the massive navy that keeps the Pacific sea lanes open, German manufacturing can concentrate on building top-quality consumer products because the majority of the Deutsche marks being spent on research and

development are not going into defense, as a majority of our dollars are. Of the \$300 billion the United States spends on defense, something more than half, say, \$150 billion, goes for NATO obligations. Our trade deficit is running at about \$175 billion a year. What we are spending to protect our allies is nearly the same amount by which we are losing the trade war.

Mr. Burt accuses me of ally bashing. I don't know whether to take umbrage at that or not. I would no sooner code West Germany to Soviet expansion than I would Florida. We have spilled too much American blood in Western Europe to relinquish our interests now.

Surprisingly, Mr. Burt's conclusion — "make no mistake: our principal allies do need to spend more for defense" — is identical to mine. Where we differ is that he believes my attempts to promote burden sharing are "unworkable and counterproductive." He never does say what he would propose.

Clearly, the Reagan administration's feeble attempts to beg a little additional defense spending from our allies have not worked. Between 1979 and 1984, while real U.S. defense spending rose 42 percent, our European NATO allies' real defense spending rose 10 percent — far, far less than the 3 percent real annual growth they committed to in 1979. Maybe if officials such as Mr. Burt spent more time telling the Germans what Americans what Germans think, such intimidating proposals as the defense protection fee might be unnecessary.

The writer, a Democrat from Colorado, is a member of the House Armed Services Committee. She contributed this column to The Washington Post.

The Battle of Peru Is Being Mis-Fought

By Jorge G. Castañeda

MEXICO CITY — Not often do the internal and sometimes Byzantine debates of Latin American politics acquire an international dimension. It is all the more surprising, then, to see how the political dispute in Peru over President Alan García Pérez's nationalization of the banking system has extended well beyond the borders of that country.

Interviews with Mr. García and Mario Vargas Llosa, the novelist who is leading the opposition to the bank takeover, have appeared on Mexican television and in the Madrid newspaper El País. President François Mitterrand of France has just visited Lima in a gesture of solidarity with the beleaguered Mr. García, and Octavio Paz, the Mexican poet and elder statesman of the Latin American intelligentsia, has publicly expressed his support for Mr. Vargas Llosa.

Mr. García was elected in 1985 on a populist appeal in a country reeling with economic problems. Late this June he proposed government control of Peru's banks and other financial institutions to "democratize" access to credit and discourage capital flight. The opposition is made up of the financiers themselves, the more reactionary elements of the armed forces and large sectors of the middle class. This coalition, largely as a result of Mr. Vargas Llosa's leadership, has united beneath the banner of fighting the "totalitarian drift" of Mr. García's policies, which they claim would accelerate toward totalitarian rule if the nationalization went forward.

The claim that nationalizing a country's banks automatically threatens democracy is neither new nor accurate. The French right brought up the charge at the end of World War II, when Charles de Gaulle expropriated that nation's largest financial institutions, and again when Mr. Mitterrand nationalized the rest in 1982. French democracy has not suffered. Since Mexico's bank nationalization in 1982, if anything there has been a slight broadening of the boundaries of its democracy.

The fascination that the debate in Peru has engendered stems more from the characteristics of its participants than from the nature of the disagreement itself. Mr. García is the latest in a Latin breed, dating back to the 1930s, of nonaligned, democratically elected reformers who rapidly run up against the uncompromising resistance of the economic, political, military and international establishments. They then either forsake their reformist creed or push ahead, generally ending in tragedy, defeat or both. Mr. Vargas Llosa belongs to a relatively new but highly fashionable sort of Latin neo-conservative movement. It is mainly made up of intellectuals who rarely venture beyond ideological matters on which they agree: defending human rights and democracy, denouncing dictatorships and so forth. But now, in the case of Peru, this group has descended from the heights of intellectual abstraction to street politics. Unfortunately, it has come down on the wrong side.

One can take issue with the economic reasoning behind Mr. García's decision, and believe that perhaps he should have done more to sustain his policy of peaceful coexistence with Peru's business community. But that ignores the larger political problem: Mr. García is a reformist democrat caught in the cross fire of a guerrilla group, the Shining Path, which thrives on the poverty and injustice endemic in the Peruvian Altiplano, and a right that is rearing its ugly head for reasons that go far beyond bank nationalization.

In Latin America, whenever a technical or an economic dispute is couched in the ideological terms of a struggle between "freedom" and "communism," or "liberty" and "totalitarianism," there is trouble ahead. And when the middle classes are aroused and pitted against a government under those very banners, the threat is compounded. Too many times this combination has swept away everything in its path — including intellectuals with democratic intentions who play with fire.

The writer is a graduate professor of political science at the National Autonomous University of Mexico. He contributed this to the Los Angeles Times.

Poverty's Children: Ever More

By David S. Broder

WASHINGTON — Daniel Patrick Moynihan, who is either the best social scientist in the Senate or the best senator who is an active scholar, has just published a paperback, "Family, Poverty and Nation." An epilogue reviews the current state of debate on the linked subjects of children, poverty and government policy.

Twenty years after his study for the Johnson administration of the forces undermining family stability in the black community ignited a huge controversy, Mr. Moynihan cites evidence showing that the pattern of illegitimacy and divorce has become epidemic in the general American society.

More than one-fifth of the nation's children are in single-parent families. Half the children now being born will live in such families at some time before they are 18. The shaky earnings and erratic public assistance for these families mean that, for the first time in American history, poverty is afflicting children more than elderly persons.

These and other points made by the New York Democrat have struck a responsive chord in a nation that has taken a holiday from social-policy concerns while it recovered from the severe inflation of the 1970s. President Ronald Reagan ordered a study of "family policy." Several states developed successful pilot programs for helping single mothers move off welfare into productive employment. And, for a time, it appeared there might be bipartisan agreement on a national "family policy" or "welfare reform" or "welfare prevention" strategy.

As this session of Congress winds down, preoccupied by unresolved budget, tax, foreign policy and Supreme Court battles, it is apparent that those hopes will not be realized in 1987. Whether sufficient political energy can be mustered in presidential campaign year 1988 is problematic.

A welfare-reform bill crafted in the House Ways and Means Committee has stalled because of concern over its cost and the threat of a presidential veto. More modest Senate legislation, drafted by Mr. Moynihan, is criticized by the White House because it would make the basic Aid to Families with Dependent Children stipends available everywhere to two-parent families without jobs, thus "increasing the welfare load."

But the outlook is not all bleak. As Isabel Sawhill of the Urban Institute, a Washington think tank, points out in a new report, "The welfare system is but one possible means of alleviating poverty in the United States" and is the last, and not the first, line of defense in the fight against poverty.

In the epilogue, Mr. Moynihan writes that "arguably" the "most important anti-poverty legislation since the Economic Opportunity Act of 1964" was a provision in last year's tax reform bill. It doubled the personal exemption for each family member to \$2,000, raised the standard deduction and indexed them to future inflation. The effect was to stop taxing families of the working poor back into poverty. Through an arcane feature called the earned-income tax credit, it even makes it possible for the government to send a check of \$500 or so to help a single parent with one child and an income of \$10,000 a year.

Mr. Moynihan points out that these measures, which "took off the tax rolls the six to seven million persons we were then taxing into poverty," were, remarkably enough, the least controversial parts of the whole tax bill.

To underline that point, Representative Jack Kemp of New York, perhaps the most conservative of the Republican presidential contenders, was praising the same tax law provisions for the same reason in speeches last week. He offered the useful idea that the exemption be doubled again for each child a family adopts — as an incentive to reducing the large number of the children of poverty now living in institutions or foster homes.

In the present climate, neither Democrats nor Republicans are comfortable talking openly about "income redistribution." But they are increasingly ready to acknowledge the painful reality of poverty in America. The huge voter survey the Gallup organization released two weeks ago under the auspices of the Times-Mirror Co. suggested that "social justice" may be the dominant issue of the 1988 campaign. Presidential candidates from Bob Dole to Jesse Jackson are talking about their families' struggles with the welfare system and poverty.

If this Congress does not come to grips with the problems Mr. Moynihan outlines, a new president and Congress may be ready to in 1989.

The Washington Post

100, 75 AND 50 YEARS AGO

1887: In Need of Work

LONDON — There is growing alarm about the ugly looks, words and conduct of the unemployed. They again had processions in Trafalgar Square yesterday [Oct. 13]. The police fairly abounded in the vicinity of the square. A speaker in differing from another speaker who had counseled "Be as orderly as you possibly can, but if violence alone will do, then I say in God's name be violent."

LONDON — On Tuesday night [Oct. 11], at 418 King's Road, Chelsea, an extraordinary shaving match against time was decided. Teddy Wick, the champion barber, being backed to shave 50 persons in 60 minutes, for £15 a side. He actually shaved 77 in 59 minutes, 53 seconds, and thus won the stakes.

1912: No Turkish Loan

NEW YORK — The Balkan war scare so far has not seriously affected

the money situation here, and bankers do not believe that this factor for depression will be of long duration, as it would be difficult for the belligerents to finance the campaign without assistance from the Great Powers. I understand that American banking houses have refused to make a war loan of \$50 million to Turkey. "Millions for peace, not a cent for war," was in effect J.P. Morgan's message to the Turks. Business associates of Mr. Morgan assert that, as soon as [Turkey] agrees to a peaceable settlement of her troubles in the Near East the American group of bankers will reopen negotiations.

1937: Pledge to Belgium

BERLIN — In a note handed this morning [Oct. 13] to the Belgian Minister in Berlin, the German Government announced its formal recognition of the inviolability of Belgian territory and expressed its determination to respect it at all times and to help and defend it against attack.

On Screen
Play-a-B

Sv

OPINION

On Screen and Off, AIDS Plays a Bit Part to Money

By A.M. Rosenthal

NEW YORK — In Washington one enchanted evening, a handsome young U.S. Navy officer spots this beautiful young woman. They eye each other and soon exit to her limousine, where they proceed to tear each other's clothes off in the back seat. An excellent time is had by both. Afterward, as they say, he asks her name.

In New York, a book editor, a woman, lures a married lawyer into a dinner

ON MY MIND

date, after their first business conference. In an hour or two they are in her apartment adjacent to the meat market, making love on the kitchen sink.

Also in New York — obviously a particularly passionate city — a teacher in his 20s keeps leaping from his convertible in attempts to entice the interest of young women who arouse his desire. A 19-year-old redhead who happens by does not need much enticement; within minutes they are spending a very merry afternoon hour in his car, this time on the front seat. Sated, he goes back to playing baseball in the park with his class of 10-year-olds, sweetly teaching them that the game is like life itself.

Back in Washington, the members of the presidential commission on AIDS do nothing much but waste time for a few months. Then they come to a tremendous decision: kick out the physician-chairman and reorganize, putting an admiral in charge! And the administration decides to fight a bill that would penalize discrimination against AIDS sufferers.

To return again to New York, a weekly newspaper for homosexuals, *The New York Native*, carries many stories about AIDS. It also carries columns of paid "personals" wherein gay advertisers speak of their urgent interest in meeting strangers for the purpose of sexual encounters of one sort or another. Some of the ads come from male prostitutes, a particularly high-risk group for AIDS, and some suggest homosexual anal intercourse, the most dangerous form of sex.

What's the connection between copulating couples, the AIDS commission, the anti-discrimination bill and the friendly fornication ads in the paper? Simply that Americans may be scared about AIDS, but not enough to conquer politics or lust — for the dollar.

The lovers are in three movies, currently making fortunes at local cinemas. Condoms? Not in the scripts. AIDS is a lousy love story, as one of my motion picture friends said, and you can't argue with that. Hollywood is talking about getting around to recognizing that the backseat of a limousine, first time out, can lead to the grave. But, aside from one or two pictures, it still is all to come later, later.

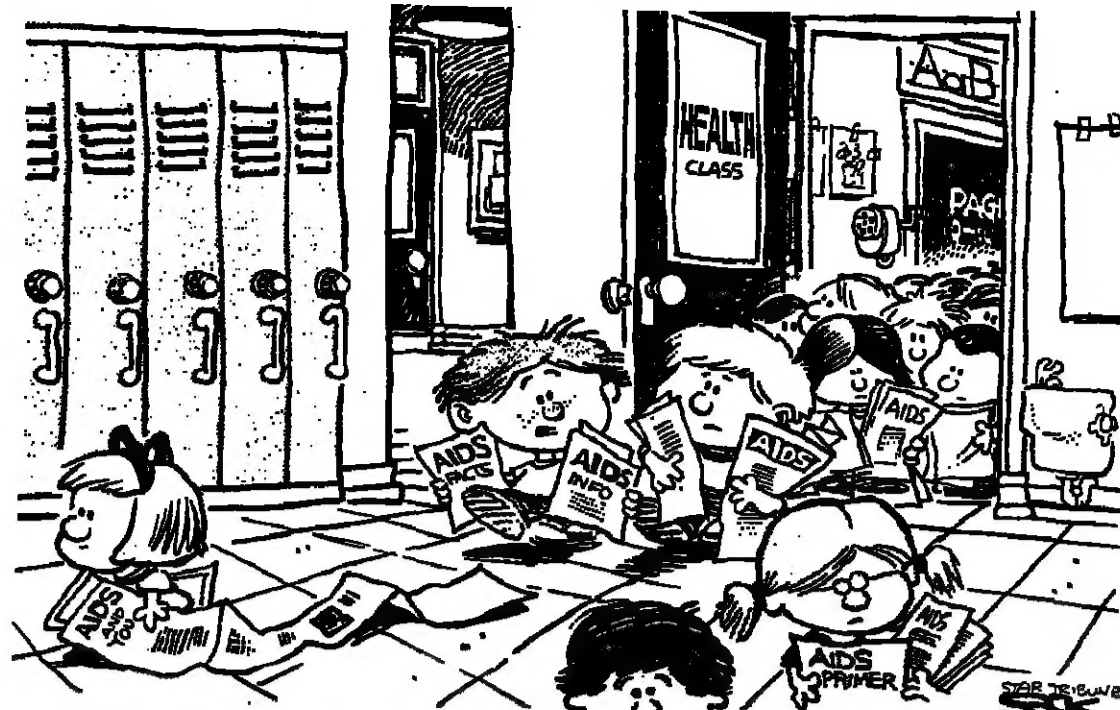
Censorship is not needed; creativity is. Surely imaginative movie makers can find solutions, like backdating some of

the first-encounter movies to a pre-AIDS era. That at least would entertain nostalgia fans. And if the immediate-action scene is set in the present, it would be plain realism to bring up the subject of wariness of AIDS rather than pretend it did not exist. It will be a lot easier than the boycotts and unprofitable X-ratings that may come instead.

Movies about intelligent people making love to strangers without thinking of AIDS are false, stereotypes of the care-free lover. Hollywood learned to eliminate other stereotypes — the Andy Hardy adolescent, the shuffling black or the stinky Chinaman. It can teach itself to eliminate this one, which would be a creative step, not a restrictive one.

Money, of course, rides on exactly how, when and where sex is shown in a movie. And money is involved in the male prostitute ads in gay publications. Here, too, no censorship is needed or desirable. But the gay community might say out loud how it feels. That should do it.

In Washington, the fear of AIDS is not as strong as the power of politics and ideology. That's why the commission is accepting the idea of an anti-discrimination code relating to AIDS. The administration does not seem able to peer over the ide-



'Here I am, educated to deal with the most intimate, complex, controversial sexual crisis ever to face our society — and I'm still not sure what a "hickey" is ...'

logical wall and see that national self-interest lies in giving the most possible protection to those from whom most will be demanded in preventing the spread of the disease: the sufferers themselves. So, here are two messages that might

be of particular interest to Hollywood and Washington. One is from Surgeon General C. Everett Koop: "Do not have sex with people that you do not know and whose state you cannot attest to." The other is from David Brown, the

producer and writer, who was not involved in the three fast-sex movies: "The end line is that most of us really do not believe the warnings or statistics. Or we think they are not for us."

The New York Times.

Fear, the Dark Bond Between One's Conscience and Bigotry

By Anna Quindlen

NEW YORK — The way he told it, it really was a funny story. He was sitting at the kitchen table, his second beer in hand, talking about having his wisdom teeth pulled. The dentist's office, he said, looked like a gathering of ghosts, with the dentist and his assistants draped, masked, gowned, gloved. The trays, the floors, the chair, the counter tops: everything was swathed in white. And there he was in the middle of

MEANWHILE

it all, his mouth open wide, feeling as though he should have a bell in his hand, so that when he could talk again he could clang it and cry, "Unclean!"

You've got to trust me on this; he made us laugh at the whole thing. The time to cry was long past, the time when we found out that he had tested positive for AIDS antibodies, indicating that he carried the virus; the beginning of the time when he knew that to have a tooth pulled would be a major undertaking, fraught with fear and anger and shame.

The stories got less funny fast. I noticed a scar on his forehead and asked how he got it. It seems he had fallen against a kitchen counter. But he never went for stitches. He couldn't stand the fuss that would be made if he told the medical people he was infected. He couldn't stand himself if he didn't tell.

It stopped being funny at all when I came downstairs after he was gone and picked up my beer to finish it. I looked from the bottle in my hand to the bottle on the table and realized that I didn't know which was mine and which was his. Feeling horrible, hypocritical, paranoid, I pitched them both in the trash.

Things are bad all over on the AIDS front, even in our house, where we have routinely done what some of the folks of Arcadia, Florida, and Kokomo, Indiana, went to extraordinary lengths to avoid. Our friend plays with our children, eats at our table, is never permitted to leave without a hug and a kiss. It would not occur to me to do otherwise. I know I will not be infected through him.

I know ... I think ... I hope. I wanted to jump on the people who have been bigoted about this: the people in Arcadia who wanted to keep those three little boys out of school; the ones in Kokomo who made 15-year-old Ryan White's life so unbearable that his family left town; the parents in Texas who abandoned their pediatrician when they found out he was antibody-positive. I want nothing to do with people like these — except that I know there is a little bit of them in all but the very best of us. We call them ignorant, and they are. But I suspect we all feel at least a little ignorant where AIDS is concerned.

We would love absolute certainty on all aspects of this issue. Americans are a nation raised on true-or-false tests. We

want doctors to give us answers, which shows how short our memories are. After all, it was doctors who once assured us that smoking did not kill and that prescription drugs during pregnancy did not do a bit of harm. Still, we want to know precisely how AIDS spreads and why some people who are infected get it and some do not and whether being infected means inevitably getting sick. First we hear that the most powerful argument against transmission through casual contact is that health-care workers have not contracted the disease. Then we hear that health-care workers have contracted it, but only under certain circumstances. We do not know what to believe.

All we know for sure is that getting sick means dying, at least so far, and that you cannot get it from a beer bottle that has been sitting around for an hour. I know that ... I think ... I hope.

There is a very small number of smart people who have an unwavering commitment to never letting one small bit of the misinformation about this filter into their psyche. There are others who are using their children as an excuse to spout venom and lies about people they despise and feel threatened by. Then there are a lot of people in the middle: people trying to be smart and rational, people who read the latest stories and statistics and try to be sensible, yet who watch a mosquito coming toward them and wonder where it has been and whose blood is inside it.

When our friend found out he had been infected, he offered to stop visiting our house. I was indignant. What did he take me for? In medical parlance, there would have to be an "exchange of bodily fluids" for him to infect my children. There was no risk in having him to dinner; more of a risk to cutting him out of our lives and depriving ourselves of his friendship and of our own self-esteem. So I smiled as he roughshod with the older boy, but all the time some part of my brain was saying, "Please, God, don't let the kid accidentally bite him."

Columnists are usually in the business of opposites, of us and them. And that is what this started out being, a column about us and them. I continue to think about myself as different from people who torment a first grader whose only crime is a transfusion of tainted blood and who is less of a health threat to the children around him than they are to him. I continue to think of myself as different from those people who would leave a dying man bleeding on the sidewalk in parts of New York or San Francisco.

But I have watched the mosquitoes too. And one night not long ago I threw away two perfectly good beers because one was mine and the other wasn't. Sometimes, when I'm feeling self-congratulatory, I think about that and I am ashamed. And I realize that maybe there is someplace between us and them, and this is it.

The New York Times.

LETTERS TO THE EDITOR

On Bork: An Independent Judiciary Is Not the Issue

David Broder invokes the principle of the independence of the judiciary to condemn the challenge to Judge Robert Bork's appointment to the U.S. Supreme Court and the recall of Justice Rose Elizabeth Bork from the California Supreme Court ("Judge-Bashing Is a Hazardous Game," Oct. 7). He is correct in the second instance only.

The essence of judicial independence is that judges are free to decide cases impartially, in accordance with their understanding of the law, without any direct or indirect threats or interference. The fundamental guarantee of this, as provided in the United Nations Basic Principles of the Independence of the Judiciary, is that judges, barring misconduct or incapacity, shall have guaranteed tenure.

In the case of Justice Bork, the recall campaign was designed to remove her from office because her judicial decisions did not conform to prevailing passions. This is precisely what the UN principles

sought to prevent. Judge Bork, on the other hand, is seeking appointment to, not retention in, a judicial post.

President Reagan presumably selected Judge Bork on the basis of his well-known views, and opponents have equally taken those views into account. Whether the president and the Senate are acting wisely is something for U.S. voters to decide, but the principle of an independent judiciary is not at stake.

REED BRODY,
Center for the Independence
of Judges and Lawyers, Geneva.

Little Feet, Big Shoes

Regarding "Small Talk: 6 Dots in Europe Try to Put Things in Perspective" (Sept. 10) by Barry James:

Your reporter's account of the meeting of the smallest European countries — Andorra, Liechtenstein, Luxembourg, Monaco, Malta, and San Marino — was informative in outlining the pluses and minuses of this unusual and yet historically unassailable situation.

Among the several contributions that these small states make is an element that often escapes the casual observer: that, irrespective of their size, they can and do serve as centers of excellence in certain scientific, cultural and nonpolitical fields.

The long-established and respected International Center of Oceanographic Research in Monaco is an obvious example.

Another is the European Center for Disaster Medicine, recently established by a Council of Europe initiative to meet the growing needs arising from toxicological catastrophes and natural disasters. There is no doubt that a small country can see big.

S.W.A. GUNN, M.D.,
Vice President,
European Center for Disaster Medicine,
San Marino.

More About Willson

Thank you for your coverage (Sept. 3) of our family friend, S. Brian Willson, who was run over by a U.S. Navy train carrying arms bound for Central America and Nicaragua outside the Naval Weapons Station in Concord, California, on Sept. 1. Two phone calls from my daughter in California provided further details that might interest your readers.

Brian's wife, Holly, had gone to warn the slow-moving train that there were protesters on the tracks — to no avail. He jumped too late, was rolled under the rails, and lost both legs below the knee. The emergency medical technicians of the Naval Weapons Station refused to aid him, claiming that the mishap had occurred outside of their jurisdiction. It was

45 minutes before an ambulance arrived.

A wave of horror, protest and sympathy spread through the nation. Senator Edward Kennedy wrote to Brian. President Daniel Ortega Saavedra called from Nicaragua. The Reverend Jesse Jackson visited him.

Let us hope that we can all act together so there will be no more tragedies and no further need for martyrs. The highest tribute we could pay to the birth of our Constitution 200 years ago would be a return to its principles.

JEANNE BURROUS,
Paris.

In "The True Place for a Just Man ..." (Sept. 14), Colman McCarthy writes that S. Brian Willson's "form of protest ... is at the respected core of a long tradition of civil disobedience." How soon can we look forward to a column by Mr. McCarthy canonizing the selfless Americans in and out of government whose consciences have driven them, at great personal risk and sacrifice, to "civilly disobey" the disgraceful, immoral, very probably unconstitutional and utterly wretched Boland amendment (which prohibited direct U.S. aid to the Nicaraguan contras)? You never know, but I suspect that it will be a hot day in the Gung before that happens.

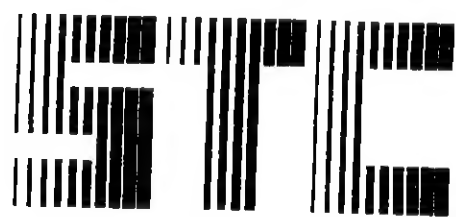
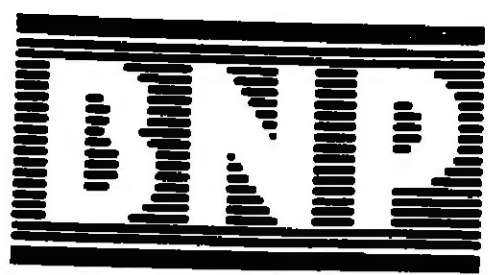
JACK JOLIS,
Brasschaat, Belgium.

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Previously, as Peat Marwick and KMG we were, of course, well known.

Now we have come together to form the world's largest firm of accountants and

consultants. A firm that happens to have worked with all of these famous names.

We haven't merged in order to be the largest, but to provide an even greater breadth and depth of service than before.

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auditing, tax and management consulting anywhere in the world.

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VISIT OF RAJIV GANDHI



Commonwealth Meeting Convenes

The Commonwealth conference opened Tuesday in Vancouver, British Columbia, with protests by the Sikh community of Canada against Prime Minister Rajiv Gandhi of India, who opposes the creation of a Sikh nation. The delegates will debate the possibility of expelling Fiji, which declared itself a republic on Oct. 7. It will also discuss South Africa's apartheid policies. South Africa left the Commonwealth after it became a republic in 1960.

Indians Battling Into Jaffna Despite Stiff Tamil Resistance

By Barbara Crossette
New York Times Service

COLOMBO, Sri Lanka — Indian troops using 120mm mortars, tanks and armored personnel carriers were battling their way Tuesday through fierce Tamil guerrilla resistance along four routes into the city of Jaffna, an Indian official said.

The guerrillas, apparently making a desperate stand around their most important administrative center, are reported by the Indians to be forcing civilians to carry munitions and clear away bodies, or serve as shields for the Tamils.

"A number of civilians have been forced by the LTTE to participate in their campaign," the Indian official said, referring to the Liberation Tigers of Tamil Eelam, the main group of Tamil separatists.

The Indian force of 12,000 to 15,000 troops and police officers is enforcing a July 29 agreement between Colombo and New Delhi that was intended to end the Tamil guerrilla war in Sri Lanka.

As the Indians advance, they are "neutralizing" guerrilla bunkers and buildings, including houses, from which militants are firing, the Indian official said. At least eight Indians died and 62 have been wounded in the past 24 hours in Jaffna.

An Indian policeman also was reported killed in a land mine explosion Tuesday in Batticaloa, in Eastern Province. In the Trincomalee area, the Tigers attacked an Indian outpost, a move seen as an

attempt to divert attention from Jaffna.

A total of 27 Indian troops have died and 141 have been wounded in Sri Lanka since Saturday, the Indian High Commission said.

The number of guerrillas killed in Jaffna on Tuesday was estimated at about 40 by the Indians, bringing the total Tamil combatant dead to at least 200. Hundreds of Tamils are thought to have been injured.

Facts about operations and casualties in Jaffna are impossible to obtain independently. Telephone communications to Jaffna are cut, and all reporters except for an Indian government television team have been barred from the area by the Indian Army. The area is under curfew.

The leader of a moderate Sri Lankan Tamil political party, interviewed by telephone in the Indian city of Madras on Tuesday, said that he feared that "quite a substantial portion of the casualties may be civilians."

The politician, Appapillai Amirthalingam, of the Tamil United Liberation Front, said that he has appealed to Velupillai Prabhakaran, the Tiger leader, to stop fighting and negotiate a cease-fire with the Indian peacekeeping force.

The Indians have been attempting to disarm the militants, but the Tigers have defied orders to surrender their weapons.

Last week, after more than 200 Sri Lankans died in attacks by the Tigers on villages around Trincomalee and Batticaloa, the Indians

opened a military campaign against them.

Indian troops have ordered civilians out of the way of the fighting, the Indian diplomat said. Indian forces are also restricting their air power to logistical support, and are not bombing or strafing settlements, officials said.

But the guerrillas apparently have prohibited civilians from leaving the combat area, according to the Indians.

The Indians say they are advancing on the city of Jaffna along four routes from the east, northeast, north and northwest. There are civilian settlements along all the roads into Jaffna.

"Some of the civilians have been given the role of carrying grenades," said Lakshmi Puri, first secretary and press counselor of the Indian High Commission. "Some are carrying ammunition boxes, collecting dead bodies. Some of them may be trapped in houses where the LTTE is firing from."

"On certain routes where civilians want to get out of their houses, the LTTE has directed them to stay, so they can use them as a human shield," she said.

The Indian and Sri Lankan navies are attempting to isolate the Tigers from their supporters in southern India by intensive patrolling of the Palk Strait that separates the Jaffna Peninsula from the Indian state of Tamil Nadu.

Fishing has been banned around the Jaffna Peninsula.



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HILTON INTERNATIONAL KENSINGTON

Aquino Files Libel Suit on 'Hid Under Bed' Report

By Keith B. Richburg
Washington Post Service

MANILA — President Corason C. Aquino, who has lately been trying to counter the public perception that he is weak and indecisive, has filed a libel suit against a widely read newspaper columnist who wrote Monday that Mrs. Aquino "hid under her bed" during a coup attempt on Aug. 28.

Before filing the lawsuit, Mrs. Aquino took a reporter to her bedroom and showed how it would be physically impossible for her to hide under the bed, which has wooden sides.

Mrs. Aquino was quoted saying: "He won't get away with it. I think he wants to hurt my feelings."

The columnist, Luis D. Beltran of the Philippine Star, wrote in his paper's morning edition, "The president hid under her bed while the firing was going on — perhaps the first commander in chief of the armed forces to have done so."

Later Monday, the Evening Star, the paper's afternoon edition, carried an apology from Mr. Beltran.

"I wasn't making fun at her," he said, "only expressing concern at the gravity of the situation which had stopped being funny."

Mr. Beltran said he was using the expression "hid under the bed" in a figurative, not a literal, sense. He said he got his information from a published remark of the president's youngest daughter, Kris, that the family was frightened during the shooting outside Malacanang Palace and knelt down to say the rosary together.

"If I have hurt her feelings, I hereby apologize and take back what I have said," Mr. Beltran's statement read. "I don't think anyone can question how brave and courageous President Aquino is."

Mr. Beltran, one of the country's most widely read journalists as well as host of two weekly talk shows, has been in trouble with the palace before. Last year, he lost his job as editor and columnist for the Philippine Inquirer after wrongly reporting in his column that Joker Arroyo, then the president's executive secretary, was the source who gave

a government document to the Communists.

When, in his capacity as editor, Mr. Beltran refused to publish letters from Mr. Arroyo over the matter, the paper's owners dismissed him. Mr. Beltran says he was a victim of presidential pressure.

Mrs. Aquino filed the libel suit for an unspecified amount of damages, despite Mr. Beltran's retraction. "Journalists have obligations and responsibilities," said Teodoro Benigno, Mrs. Aquino's press spokesman. "That's what journalism is all about."

Filing the suit at the city courthouse, Mrs. Aquino said: "I have always been a woman of courage. I don't want the soldiers of the republic to ever doubt for an instant that their commander in chief is a woman of courage that they look upon and respect."

The presidential palace has grown increasingly frustrated with both the local and foreign press, which was once widely sympathetic to Mrs. Aquino, for now depicting

the president as "weak and indecisive," in the popular cliché.

The president and her aides also have been irritated by the wide press access given to rebel military leaders. Last week, Mr. Benigno announced that the government had ordered the closing of three radio stations that were broadcasting anti-government propaganda.

Strikers March on Palace
Thousands of striking Philippine workers, taking part in a weeklong

walkout for higher wages, defied police warnings and marched toward the presidential palace Tuesday, but dispersed peacefully after a tense confrontation with riot policemen. The Associated Press reported from Manila.

The marchers had come from a rally in a central Manila square that capped the second day of a planned weeklong strike.

The May First Movement, which organized the strike, is pressing for a 50-cent-a-day wage increase.

Honecker Begins Visit to Belgium

Reuters

BRUSSELS — The East German leader, Erich Honecker, on his third trip to Western Europe this year, arrived here Tuesday for a three-day state visit to Belgium that was expected to focus on bilateral trade and East-West relations.

Mr. Honecker, 75, was met by King Baudouin at Zaventem airport. He is to talk Wednesday with

Prime Minister Wilfried Martens, who visited East Berlin in September 1986.

Diplomats said the trip underlined non-Communist Europe's growing readiness to deal with East Germany at the top level. Mr. Honecker's visit to West Germany last month was the first by an East German leader since the two countries were created in 1949.

The new wave



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RENAULT 25 - SHE'S A SPECIES APART.

Korean Dissident Group Backing Kim Dae Jung

The Associated Press
SEOUL — A leading dissident group announced Tuesday that it would back the opposition leader Kim Dae Jung in presidential elections later this year, in a new sign of growing divisions within the opposition.

In another development, policemen firing tear gas dispersed students demanding the overthrow of the government.

The announcement Tuesday by the dissident group, the United Masses Movement for Democracy and Unification, which embraces 22 groups and has a combined membership of more than 20,000, that it would back Mr. Kim was the first presidential endorsement by a major dissident organization.

The group's leader, the Reverend Moon Ik Hwan, said, "We recommend him as the opposition's single candidate because he has shown active attitudes to put an end to military dictatorship."

Kim Dae Jung is locked in a struggle with a rival opposition leader, Kim Young Sam, for support in the presidential elections to be held before Dec. 20.

Kim Young Sam declared his candidacy Saturday, and Kim Dae Jung is expected to announce his candidacy soon. The two Kim's failed to fulfill an earlier commitment that just one of them would run for president.

Mr. Moon's group has played a major role within the main dissident alliance, the National Coalition for a Democratic Constitution.

The coalition of dissident, civil rights and religious groups spearheaded anti-government protests in June that forced President Chun Doo Hwan to accept opposition demands for sweeping political re-

forms and direct presidential elections. The coalition has not announced which candidate it will back.

Roh Tae Woo, a former general, is running as the government candidate.

Aides to Kim Dae Jung welcomed Mr. Moon's endorsement but said their leader wanted to muster more public support before he announces his candidacy.

Mr. Moon said his followers picked Kim Dae Jung because he appeared more determined to bring in genuine democracy and had better plans for the reunification of the Korean Peninsula.

At Sungkwankyun University, policemen opened fire with tear gas to prevent about 400 students from marching off the campus. The students, who represent small radical groups, are demanding the immediate overthrow of President Chun, but have attracted little support.

Labor Leader's View
An international labor leader said Tuesday that South Korean autoworkers earned one-seventh as much as Japanese and must be better paid if the country is to become a major car exporter. Reuters reported from Seoul.

Herman Rebban, general secretary of the 14-million strong International Metalworkers Federation, also said at a Seoul seminar that unions must be free of government control. His federation, based in Geneva, groups 170 unions in 70 countries.

He also demanded that "any striker or workers' representative who was arrested last month" be set free. Hundreds of workers were arrested or charged as labor strife reached a peak last month.



Firemen in asbestos suits after setting fire to hashish.

Hashish Worth \$20 Million Is Destroyed Near Moscow

STARAYA KUPAVNA, U.S.S.R. — Hashish worth \$20 million was burned Tuesday outside Moscow in an operation that officials said demonstrated Soviet cooperation in the fight against drugs.

The operation took place in the countryside near Staraya Kupavna, 22 miles (35 kilometers) east of Moscow. A customs official, Yuri Fedoskin, said it was a symbolic act. "These drugs cannot be used in industry or medicine," he said, "so we decided to destroy them."

Mr. Fedoskin said Soviet customs officers seized the hashish in Moscow in November in the country's first big drug haul. It was detected with the help of dogs in a rail container bound from Afghanistan to West Germany, he said. Found in crates marked as raisins, the hashish weighed 2,666 pounds (1,209 kilograms) and had a street value of \$20 million.

Soviet Rewriting East Bloc Economic Rules

By Jackson Diehl
Washington Post Service
WARSAW — At harvest time three years ago, the Soviet Union's leading agricultural expert traveled to Hungary and spent two days touring the vast cornfields and poultry houses of Babolna, the country's premier cooperative farm.

The visitor was Mikhail S. Gorbachev, then a secretary for agricul-

ture on the Central Committee of the Soviet Communist Party, and he must have been an intimidating figure for his hosts.

Hungary, after all, was engaged in a daring and lonely effort to reform the socialist economic system by introducing some principles of capitalism. And Mr. Gorbachev was a representative of a Kremlin leadership that, as the overseer of the Communist system, looked with a mixture of skepticism and distaste on its allies' deviation from orthodoxy.

As it turned out, Babolna's directors had little to fear. Far from preaching this Moscow expert was intent on studying. The visiting Mr. Gorbachev "asked a lot of questions," Babolna's director, Robert Burgert, recently remembered, and "absorbed everything."

Two and a half years after Mr. Gorbachev moved from his secretary's post to the leadership of Soviet Communism, that visit to the model Hungarian cooperative might be seen as a forerunner of the profound shake-up he has initiated in Moscow's economic relations with Eastern Europe.

Since taking power, Mr. Gorbachev has turned the Soviet Union from the Eastern bloc's ideological policeman to one of its most avid proponents of radical economic reform. He has elevated Hungary

from the status of maverick to that of model among East European states. He has launched a reorganization of trade and business relations among Communist-ruled countries, with far-reaching implications for the future.

At the heart of that dramatic shift, moreover, is a change of attitude as simple as it is sweeping: Mr. Gorbachev's Soviet Communist leadership, no longer believing that it knows the right economic recipe for Communism, has decided to imitate, rather than dictate to, its more progressive allies.

In the short term, the new Soviet policies have permitted freedom and diversity in the economic practices of states long known for their lock-step imitation of Moscow.

In recent months, both Hungary and Poland have prepared major programs to decentralize control over economic activity and encourage private enterprise going well beyond the initial Soviet measures. At the same time, East Germany and Romania have felt free to reject any change in their highly centralized systems despite the Kremlin's example.

Whether such diversity will continue for long is questionable. In addition to promoting internal reforms, Mr. Gorbachev has made closer economic integration between the Soviet Union and Eastern Europe an important priority.

Changes introduced since 1985 in the trading and investment system of Comecon, as the Eastern bloc's economic community is known, have increased the pressure on East European countries both to move toward internal reforms and to deliver more and better goods to the Soviet economy.

Now, with these partial measures producing modest results, the Russians have moved to embrace a more radical shake-up of Comecon that, by introducing elements of a

free trade system, could make the move of Communist nations away from centralism socialism both universal and irrevocable.

"The introduction of market mechanisms in intra-Comecon trade will amount to a revolution," said the Romanian editor, Silvia

The introduction of market mechanisms in intra-Comecon trade will amount to a revolution.

—Silvia Brucan, Romanian editor

Brucan, in a recent article for the publication *Worldpaper*. "Conservative leaders clinging to economic orthodoxy face a formidable challenge that is bound to accelerate the changing of the guard."

One of the first steps toward that future is expected to be taken at a meeting of Comecon prime ministers that began Monday in Moscow. According to official sources, the ministers are due to adopt a long-range plan for reform of the Comecon system that includes the creation in 1991 of the Soviet bloc's first convertible currency — the foundation of free trade.

Compared with the ambitious goals of reformers, the present Comecon plan is a modest one, and sources say Soviet officials and their allies in Hungary and Poland have faced strong opposition from East Germany, Romania and Cuba in promoting the changes. Nevertheless, a Hungarian expert said, "We now have a first step down a path that is clear. Now Gorbachev can use Comecon to force reform."

Both Soviet and East European leaders have strong incentives to reshape economic bonds. The present trading system, introduced in the 1940s by Stalin and virtually unchanged since then, is so inadequate that it tends to stifle exchanges among East European countries as well as with the West, slowing the introduction of new technology and holding down living standards.

The goods exchanged between the Soviet Union and Eastern Europe now tend to be the poorest these countries produce, as each economy saves its best output for export to the West. Many factories in Eastern Europe actually have separate production runs for East and West, with the East run typically receiving cheaper materials, technology and packaging.

It is that reality that largely motivates Mr. Gorbachev. "Socialist countries should cease to exchange shoddy goods among themselves," he said in a visit to Bucharest this year, "and to consider [Comecon] a distortion."

For the Eastern Europeans, the Stalinist organization of Comecon represents one of the chief instruments of Soviet domination of their region.

Under the present system, East bloc nations are forced by their lack of convertible currencies to depend almost exclusively on the Soviet Union for supplies of energy and raw materials and are blocked

from significant economic integration either with each other or with Western Europe.

To get strategic supplies, the East bloc nations are obliged to ship to the Soviet Union up to three-quarters of the total goods they export. They must also invest vast resources in huge, often wasteful energy development projects inside the Soviet Union.

This trade, in turn, has little to do with either prices or money, as socialist countries cannot easily determine the real value of their products and cannot readily exchange currencies. Instead, trade ministries in each country meet with Soviet officials and each other each year to draw up detailed agreements specifying which and how many goods will be exchanged, from steel and oil to matches and perfume.

For every country, the goal in annual negotiations has become to export as little as possible — and to avoid earning any surplus money. "Nobody's out to make a couple of rubles," said Adam Barczewski, an official of the Polish Foreign Trade Ministry. "Because you can't do anything with a ruble unless it's backed by goods. What we have is an exchange of goods, not money."

The new Comecon plan, first proposed to East bloc leaders by Mr. Gorbachev at a meeting in November, is intended to start the process of reorganizing the basic system. The central element, the creation of a convertible currency for use within Comecon, implies a fundamental change in the operation of Comecon trade as well as in the management of each of the East bloc countries.

With a convertible currency, East European countries would be free to trade among themselves without being limited by the need to balance each product sold with an equal and opposite product. East bloc factories producing the same goods would be forced to compete with each other to make sales within Comecon.

If fully implemented, the reform would give East European nations a real incentive to trade with each other and not only with the Soviet Union. And each country would have to adopt a realistic price system influenced by the world market. Huge subsidies hidden in the present system — mostly from the Soviet Union to Eastern Europe — would be eliminated.

The implications of the change to convertible currencies and free trade, even when limited within Comecon, are so great, and the process of implementing it so complex, that Comecon officials finally agreed on only a partial and gradual introduction of convertibility.

According to the plan due to be adopted this week, the system will be phased in over a period of 10 years beginning in 1991, sources said.

The reform will begin only with specified classes of products and will include only those Comecon countries that volunteer to participate. So far, sources said, only Poland, the Soviet Union, Hungary and Bulgaria have agreed.

M'Bow Short By 3 Votes At UNESCO

The Associated Press
PARIS — Amadou Mahtar M'Bow of Senegal, seeking a third term as head of UNESCO, fell short again Tuesday in voting to nominate a candidate for director-general, missing a majority by three votes.

Mr. M'Bow, who has led the United Nations Educational, Scientific and Cultural Organization for the last 13 years, received 23 votes on the third ballot by the 50-nation executive board, UNESCO officials said. He needed 26 to win.

France, which has strong ties to French-speaking African countries, announced it had backed Mr. M'Bow in the third round. It was the only Western nation to back Mr. M'Bow, who has the support of a large bloc of African countries and other Third World nations.

Delegates planned a fourth secret ballot on Wednesday night. If no candidate wins in that round, a fifth ballot runoff between the two leading candidates will be held.

A former Spanish education minister, Federico Mayor, finished second with 18 votes. Mr. Mayor has the backing of Western nations, Japan and some Third World countries.

Soviet bloc support remained with Nikolai Todorov of Bulgaria, who received five votes. Socialist-moko of Indonesia got three votes, and Sheikh Solomon of Timor and Tobago received one vote.

Mr. M'Bow has been criticized by some Western nations for leading the organization into the biggest crisis in its 41-year history, marked by the withdrawal of the United States, Britain and Singapore.

Both the Americans and the British have indicated they would remain out if Mr. M'Bow wins another term.

Duarte Begins Visit to U.S.

United Press International
SAN SALVADOR — President Jose Napoleon Duarte left Tuesday for his first official state visit to the United States, where he is to meet with President Ronald Reagan and ask for continued U.S. aid. He is scheduled to address the Organization of American States and speak at the United Nations.

U.S. Homosexuals Show a New Militancy in Drive to End Bias

By Karlyn Barker
Washington Post Service
WASHINGTON — Homosexual activists in the United States say there is a new militancy among their followers, a growing political constituency that is determined to achieve equal rights.

Organizers of the mass civil disobedience in Washington on Tuesday, in which dozens of persons were arrested at the Supreme Court, and of Sunday's National March on Washington for Lesbian and Gay Rights say the demonstrations dramatized their nationwide strength.

It is illegal to demonstrate on

Supreme Court grounds. In the protests Tuesday, the police at one point sealed entrances to the building after groups of demonstrators tried to make their way inside.

"It's taken a while for us to get here," said Kay Ostberg, a Washington lawyer who helped coordinate Sunday's march.

Ms. Ostberg said the gathering, which drew more than 250,000 homosexuals and their supporters, succeeded "far beyond my wildest expectations" and signaled a new stage for the homosexual rights movement.

"We've come to Washington to show our visibility, but also our

strength, our anger, our resilience and our hope," Ms. Ostberg said. "This civil rights movement has come of age politically, and we are not going back to the days of silent suffering. We are here to demand an end to discrimination now."

At the top of a list of demands for federal action is passage of a bill, already co-sponsored by seven U.S. senators and nearly 70 representatives, that would ban discrimination on the basis of sexual orientation.

On Tuesday, several hundred demonstrators joined the civil disobedience on the steps of the Supreme Court.

Dubbed "Out and Outraged," the gathering protested the court's decision in a 1986 case from Georgia, *Bowers vs. Hardwick*. The ruling upheld the right of states to prosecute consenting adults who engage in homosexual activity in the privacy of their homes.

According to homosexual rights activists, who estimate that there are 25 million homosexual Americans in a nation of 240 million people, the protest illustrates a growing militancy in the campaign for equality — and a link to the civil rights movement by blacks. Twenty-two states and the District of Columbia consider sodomy a

felony, and homosexual rights leaders say they will no longer tolerate discrimination based on sexual preference and practices.

"Our patience has been exhausted," Virginia Apuzzo, a New York State consumer official and longtime homosexual rights activist, told marchers on Sunday. "We are discriminated against on our jobs, in housing and public accommodations. The Supreme Court has declared we have no right to privacy. We are homed out of the military, barred from workshops in some churches. Our children are kept from us."

"If that isn't second-class citizenship," she continued, "I don't know what is."

Homosexual rights organizers hope the march and future actions will result in national anti-discrimination legislation for homosexuals, just as blacks' protests in the 1960s led to laws banning discrimination.

The march was sponsored by an ad hoc group called the National March on Washington, representing a broad coalition of homosexual rights groups around the country.

Ms. Ostberg said homosexual rights activists will be doing more lobbying in Congress on behalf of

specific bills supported by march organizers. She said that last week's "lobby days," in which march participants visited congressional offices, did much to enlighten lawmakers.

"There were lots of members of Congress who had never met their gay and lesbian constituents — and didn't believe they existed," said Ms. Ostberg. "Well, we've changed that."

Also Monday, in an effort to establish a network for setting a national homosexual agenda, more than 350 rights activists met and voted to create a "lesbian and gay congress" to help coordinate political activities around the country. The congress plans to hold its first meeting next year.

In addition to passage of the homosexual rights bill, march organizers want an end to discrimination against people with AIDS or those who test positive for the virus; increased federal funding for AIDS research and education; repeal of laws against sodomy between consenting adults; a presidential order banning discrimination against homosexuals by the federal government, and legal recognition of homosexual relationships.

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ARTS / LEISURE

The Mousetrap Trap

By Sheridan Morley
International Herald Tribune

LONDON — There is something frightening going on in the West End at present, and it is not, alas, the revival of an Agatha Christie thriller at the Duke of York's. At a time when more shows, admittedly mainly musicals, are selling out in central London than ever before, a number of other theaters seem to have so lost spirit and heart and soul that they are taking in plays that would barely have had a chance of survival on the end of a seaside pier 30 years ago. If there was some sort of minimum quality control it is doubtful that "And Then There Were None" would have got as far as a first rehearsal, let alone a first night.

Admittedly there is a special problem with Agatha Christie, and it is called "The Mousetrap." Because that terrible little thriller has survived something like 40 years in London, there has developed a theory that there must be money in all those little thrillers by Agatha Christie. What is forgotten is that, by surviving in a very small theater for a decade or so, "The Mousetrap" achieved a tourist status akin to the Changing of the Guard or the Tower of London. People go to "The Mousetrap" because it is a sight to be seen, not a play to be enjoyed.

In fact, the late Dame Agatha almost never wrote a play to be enjoyed, for the simple reason that she was never a playwright. Her plotting was sometimes superb, but her sense of dialogue was nonexistent. "I have no doubt that we have been invited here by a dangerous homicidal lunatic" is not a line that any self-respecting actor should be asked to utter in front of paying customers.

Hollywood understood the prob-

lem from the beginning. Whenever they bought a Christie plot, they also bought writers who could make it work. This particular saga is the one she wrote in 1939 as a novel called "Ten Little Niggers." In later and more racially conscious times it became known as "Ten Little Indians," and now (presumably to offend no one, except of course the people who have to sit through it) it is known by the

THE LONDON STAGE

last line of the verse that gives the play its narrative drive, or rather its shambaling limp.

In case you have managed to forget it, this is the tale about 10 people trapped on a deserted island off the coast of Devon who keep coming to violent ends. Hollywood filmed it at least twice, recognizing that there was nothing there that couldn't be put right by a good writer and a group of distinguished guest stars. At the Duke of York's, however, we are locked into what appears to be the original text and a distinctly undercast company of traveling players from Nottingham.

For at least one scene Glynn Barber wears a spectacular metal dress apparently assembled from melted cigarette lighters, and throughout the evening Rodney Bewes, wearing a moustache and a South African accent of almost equal eccentricity, performs with a commendable kind of energy, as if believing that somewhere in this mystery there might actually be a play.

Although Miriam Karlin as a sinister spinster keeps at least her center stage moments up to a level of old-fashioned adequacy, the rest of Kenneth Alan Taylor's production is a stunningly depressing ex-

ample of how low the West End is currently willing to sink in its search for recycled old money-spinners.

At the Young Vic Studio, "Waterloo Road" is a marvelous idea gone terribly wrong. The idea, by the Magna Carta company, was to tell the story of Lillian Baylis on a stage just across the road from the Vic that she pioneered and ran for much of the first half of the century. It has gone wrong because nobody seems to know whether they are doing a documentary or a play or building a memorial.

Baylis was a legendary old battle-axe with a sharp belief in heaven and the loyalty of a local south London audience, to whom she would bring in messianic fashion the word of Shakespeare. "Dear God send me actors" was her prayer, or, "and send them cheap." If they weren't good enough, she was also the first to review them. "Well," she told a sweating young man staggering off the stage after he had just been thrown in the deep end as an understudy to play Hamlet, "you've had your chance, and missed it."

Once, when the National was abandoning the Old Vic for its new concrete fun palace on the South Bank, Peggy Ashcroft read some of the Baylis letters at a charity concert and gave some idea of the fire and the fury with which she has to be played.

In the present company Barbara Kington manages only a kind of querulous muttering, while the script by Robert Gordon and Vera Gottlieb never even begins to grapple with the social and theatrical issues that were at the heart of the Old Vic management. All we get here are some weird offstage extracts from famous plays heard as through a tunnel.



Blair's black satin bustier (left), and Conran's diagonally striped mini.

London Styles Waffle

By Bernadine Morris
New York Times Service

LONDON — The Italian design-ers, with their strong fashion message, proved a hard act to follow. In Milan last week a new, sleekly feminine fashion era was heralded by slickly tailored long jackets combined with very short skirts. In the four days of spring and summer showings here, the mood was far less decisive.

The best styles were the soft, floppy, short-skirted skirts for evening. But there were many long styles and, worst of all, attempts to compromise, as in a long full skirt opening on a short narrow under-skirt. The city that gave us the miniskirt 25 years ago was not leading the move to its revival.

There were other attempts to bring back the spirit of the 1960s, when British designers were the liveliest in the world, but they didn't seem effective. Katharine

Hamnett's bell-bottom blue jeans and tie-dyed T-shirts did not seem relevant; she was more successful with full tulle skirts. Chemise dresses by Georgina Godley were simply boring.

Instead of applauding the inventiveness or even the abrasiveness of the collections, people were talking about who got what idea from whom. Fashion, of course, is a constant matter of give and take, and who did it first is not nearly as significant as who did it best. The British, even in recent years, have been credited with many new ideas. It was the lack of a strong sense of direction this time that led to all the talk about derivation.

The scene was by no means totally bleak, however. Despite its Japanese overtones, the collection of John Galiano not only was satisfying but showed his growth as a designer. He has already presented imaginative collections, each with a different point of view.

This time he focused on a pretty, gentle look. The emphasis is on snug high waisted, often belted, topped by bodices with soft floppy capsize collars. The full skirts of ten have hems that are turned under for a puffy effect. These hems are sometimes irregular, call length in front and curving up above the knees in back. The back of the knee is not usually a focal point of design. It is a tribute to Galiano's technique that he makes this difficult line look graceful.

Very pale green is one of his

favorite colors, accented by other watercolor shades like peach or mauve. Instead of white stockings, he favors lightly tinted shades, and he always has his models wear shoulder-high gloves. He represents British eccentricity at its best.

Similar themes turn up in the collection of Jasper Conran, which looks younger than ever. He favors soft necklines, bright colors and short full skirts. He is one of the few to take shorts seriously and to present trousers as well, combining both long and short pants with short fitted jackets. Conran, now 27, has designed for his own company since he was 19. His clothes always had a slick, sophisticated air. Now they look livelier.

Alistair Blair, who dedicated himself to restoring a quality look to British fashion when he opened his business two years ago, must fight a tendency to be too lavish in his design. But when he does not overdo, his styles are distinguished. They are best when he sticks to one color and handles ruffles with discretion. His white organdy blouse and high-waisted skirt make one of the best informal outfits seen anywhere.

Evening dresses are a specialty of designers here, and the newest to make her mark is Linda Clerach. A dressmaker who made the wedding dress Sarah Ferguson wore when she married Prince Andrew last year, Clerach now does a wholesale collection that she sells to Lord & Taylor, Neiman-Marcus



Galiano: Emphasizing the back of the knee.

and Holt Renfrew in Montreal. She specializes in short frothy dresses marked with glitter and embroidery. Short dresses are acceptable even at balls today, Clerach says.

Half-length linen dresses turn up at the Workers for Freedom collection designed by Richard Not and Graham Fraser. The audience re-

ceived these longer hemlines with aplomb. It was the blue sequined boxer shorts for men that caused the stir. Nobody recalled ever seeing anything quite like them.

Jean Muir showed her unpretentious clothes in an unpretentious manner in her showroom. Non-

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COMPUTER INTEGRATED MANUFACTURING

Transforming the quick fix of high-tech into a long-term strategy, computer integrated manufacturing melds information technology and automation into the flexible factory of the future.

At a secluded center in Warwick, England, a team of executives race against the clock to meet new design criteria and a tight delivery schedule for gearbox components. Their standard design is displayed, assessed and amended on a computer terminal. Then, as it is coded, a sales price is automatically sent to the customer.

Meanwhile, they review the production schedule and prepare programs to manufacture, inspect and assemble the finished product. These electronic instructions are passed to a series of machine tools and, after a swift check to ensure that sufficient raw materials are available, the order can be confirmed.

As the first block of metal moves onto the conveyor, they return to their screens to tackle the next problem on the agenda.

Simple examples like these help IBM to demonstrate Computer Integrated Manufacturing (CIM) in action. Those that favor the hard facts might prefer to look at the company's own record.

Industrial engineering, traditionally one of the company's greatest strengths, has reached new heights of refine-

ment with the computer aided design of microchips, and extensive testing in which one computer solemnly checks another. The results are self-evident: while quality has been increased, its cost has gone down.

Traditionally, the reverse has been the case. Increases in quality have generally incurred additional time and manufacturing costs. But this is no longer applicable when a robot automatically assembles and tests component parts.

Hewlett Packard has used much the same method to reduce its own internal failure rate by 10 percent and its costs by 20 percent while doubling throughput.

Now CIM is becoming big business as other companies strive to improve their performance in similar ways. The world market for manufacturing automation — including computers, software and systems — is currently estimated at between \$27.5 billion and \$35 billion, with the United States accounting for nearly 50 percent of it.

Ever since the first robot joined General Motors' production line in 1961, the automobile industry has led the way. Today it accounts for 22 percent of the market. Second



largest customer is the chemical industry (13 percent) followed by non-electrical goods (9 percent) and the electrical and petroleum sectors (8 percent each).

Hewlett Packard's CIM consultants say "computer integration for the manufacturing industry" would explain the concept better. They point out that CIM doesn't come down to a simple computer purchase; it affects every department in a company.

The ultimate goal is to integrate everything from pre-sales negotiations and order entry to final delivery of the product.

Design, planning, accounting, manufacturing, inventory and quality control should all play a part in the total CIM solution.

Yet American companies have focused almost exclusively on automating individual pieces of equipment. Dataquest estimates that only

4 percent of their automation investment goes toward integrating equipment into work cells. This compares with 15 percent in Asia and 26 percent in Western Europe.

The drop in the dollar has set big exporters scrambling to increase efficiency in order to lower product costs. Experts say it is no coincidence that West Germany, which exports more than half the goods it produces, accounts for a third of Western Eu-

rope's automation market. France is second with 18 percent of the market, followed by Italy (16 percent) and Britain (13 percent).

The European Community has also become involved, spending \$130 million over the last five years on developing ideas for the factory of the future. It is now proposed that \$1.2 billion be spent on CIM research over the next five years. This readiness to invest stems from the strong Europe-

an tradition of cooperation between governments, universities and individual companies. Not only does cooperation between industry and universities allow West European companies to maximize research and development, it also helps to train people for the future.

West European companies also realize they must be globally competitive, prompting a trend toward cross-border joint ventures. France's

Thomson Semiconductors and Italy's SGS Semiconductors have merged. Siemens, Bull and ICL are cooperating on technology for the next generation of computers.

Some large firms such as France's Renault have taken advantage of their own manufacturing expertise to develop products and services for new business developments. Renault Automation has become

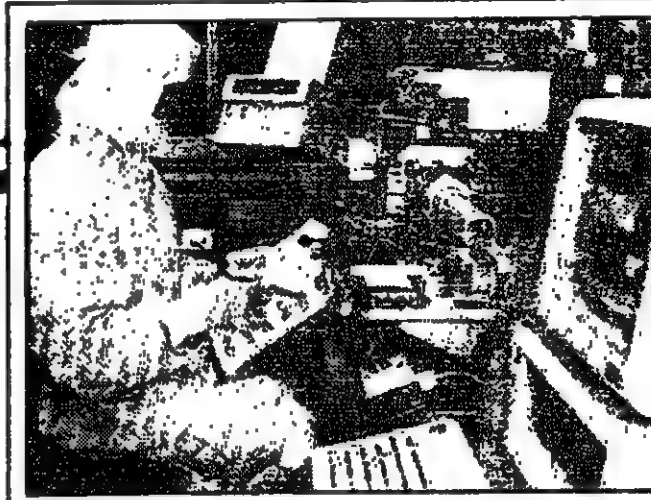
See CIM, Page 13

The Next Industrial Revolution?

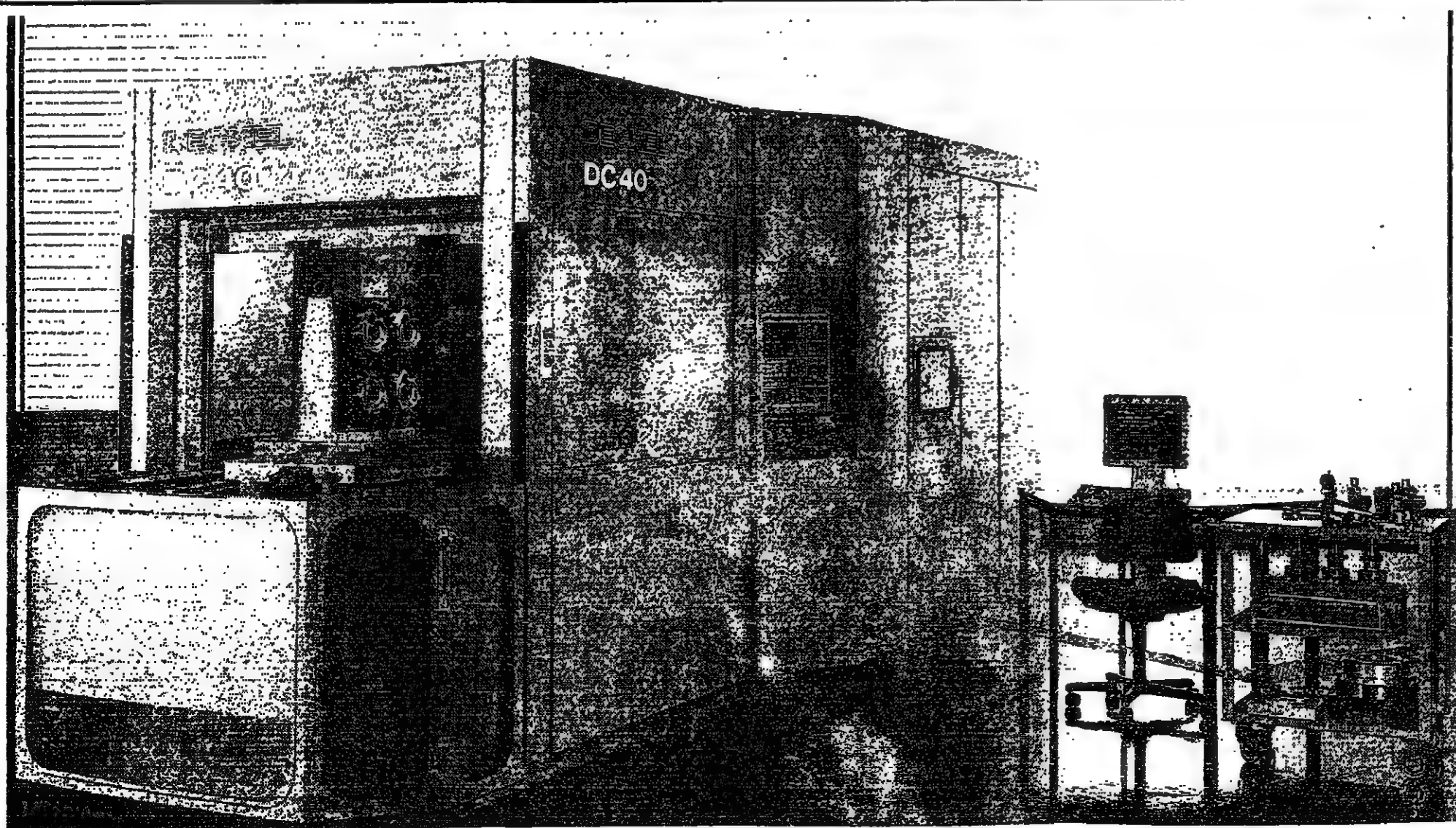
In Japan, where fierce competition has led to industrial overcapacity, manufacturers are relying on flexible machine tools to keep pace with shorter and shorter product cycles.

The United States, where companies spent nearly \$50 billion on similar equipment between 1981 and 1986, is clearly anxious to protect its own manufacturing base. Giant corporations like General Motors, Boeing and IBM have won the first round in the fight to automate but now find themselves faced with new problems such as standardization. Meanwhile, information technology is streamlining the traditional management functions that generally account for at least 40 percent of the overhead in Western factories.

In Europe, where 28,000 robots are already at work on production lines, the major growth area is research. International projects such as Esprit, Race and Brite, national initiatives such as the Alvey program in England and a further \$1.5 billion to be spent over the next five years provide one form of incentive. But the real prize at stake is the future of the European manufacturing sector. Will CIM get off the drawing board and onto the shop floor in time to save the situation?



Right: An operator scans fragile components and sends information from the production line back to a central computer.



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Business Driven Decisions

THE problems facing automobile manufacturers are greater than the sum of their parts. Around 30,000 components go into each vehicle and at least one car per minute rolls off the production line. Meanwhile, the pressure to produce new models is shortening the product cycle and the days when clients accepted "any color so long as it's black" are long gone.

Prompted by the oil crisis and challenged by Japan, manufacturers in America and Europe were quick to experiment with robots in the 1970s. Today they are equally enthusiastic advocates of CIM. It not only suits the structure of their business; worldwide competition leaves them no choice.

Robots convert information into motion to perform such functions as spotwelding and lifting. But Dick Beecher, a robotics specialist at General Motors Technical Center in Warren, Michigan, says they are most cost-effective when applied to difficult tasks.

At one General Motors plant in the United States, two robots take pallet-loads of small machined parts off a conveyor, peel off the protective packaging and then select groups of parts from the open plastic trays.

These robots are equipped with machine vision. They use cameras to match the position of the parts against a pre-recorded pattern, moving their robotic arms and rotating their grippers until they are ready to lift the parts and move them on to another conveyor.

But robots are only part of the CIM picture. Information ultimately controls everything from production levels to delivery schedules. Volvo, for in-

stance, uses transportation companies such as Schenker of Frankfurt that are so specialized they offer same-day delivery to Sweden from Central and Southern Europe.

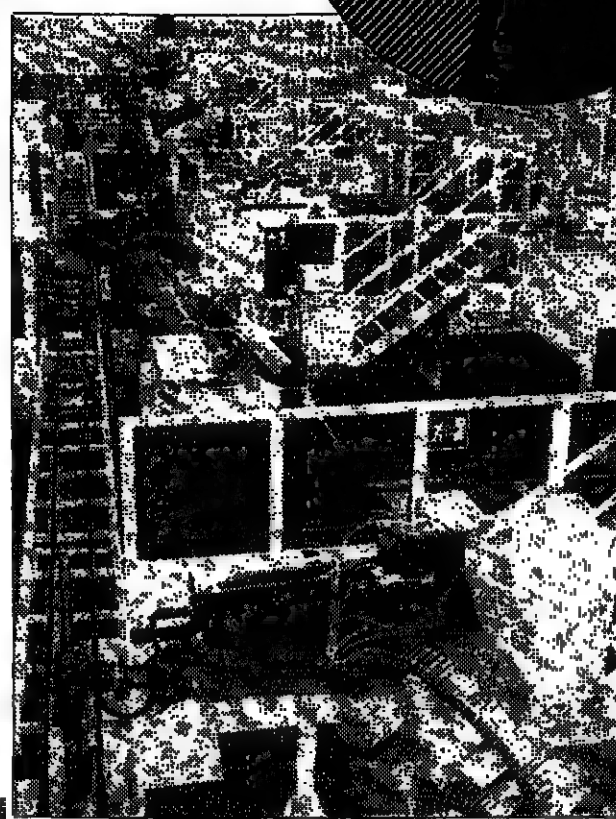
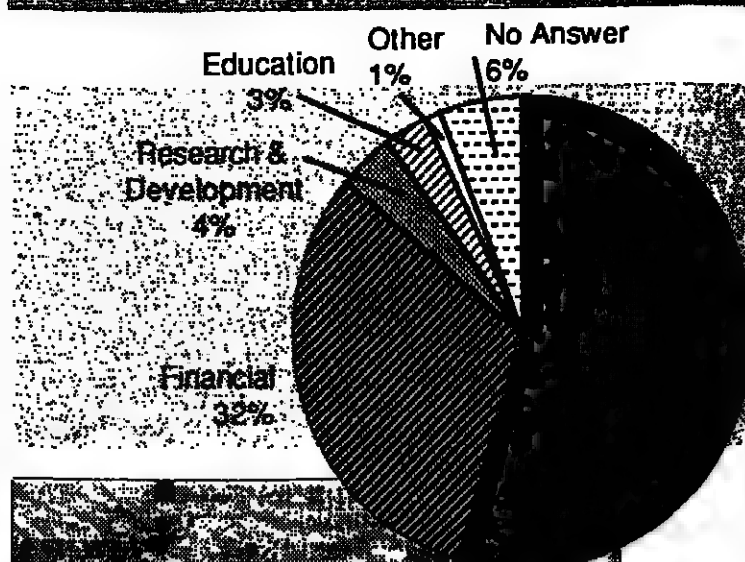
Richard E. Dauch, executive vice president for production at Chrysler, has been applying computer control to production since 1980. As a result, he claims Chrysler has improved quality and more than doubled its turnover of inventory thanks to just-in-time scheduling. Chrysler has significantly increased production without adding new plants, largely "due to proper application of computers," adds Dauch.

BMW's Hans Koch says his company's CIM system covers production planning and control, logistics, research and development, parts production and assembly as well as quality control.

Three computer centers form the core of the system: with one at the corporate level and two more in the scientific and research and development departments. They are linked together and support nearly 5,000 terminals in the various factories. The company also uses 50 stand-alone systems and 1,000 personal computers. BMW's latest addition to this information network is an ever-increasing number of computer-based production machines that rely on the network for information.

One of the most difficult problems this presents is compatibility. BMW has over 1,000 vendors with which it exchanges large amounts of data, ranging from parts drawings to order quantities. But the company found that only half of them had CAD (computer-aided design) systems and few of these were compatible.

JUSTIFICATIONS FOR CIM



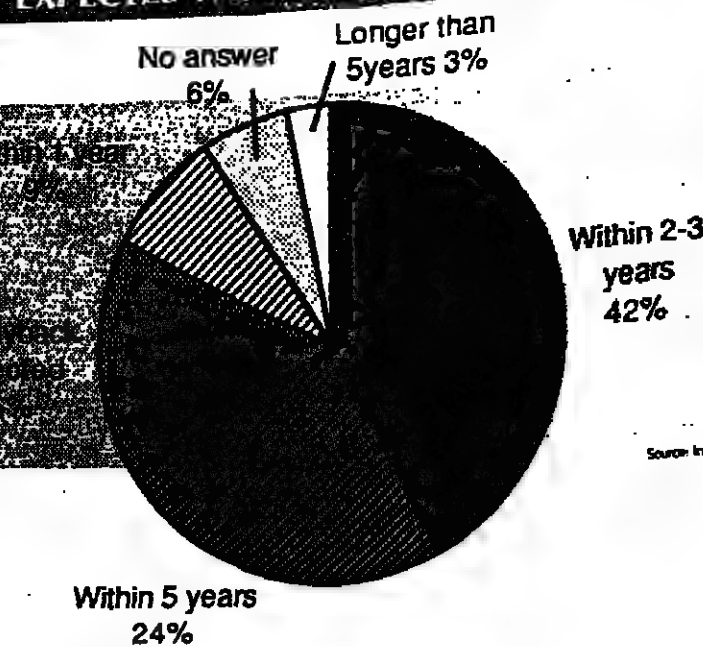
Most efforts to overcome the problem rely on machine conversion in which data is generally reduced to the smallest common denominator. This, in turn, leads to a significant loss of data, so drawings still have to be reconstructed when moved from one system to another.

Yet the cost of CIM systems is by no means exorbitant, and the regular cycle of new models simplifies the introduction of more CIM

equipment each year. While this has helped the car industry to adopt information technology far faster than other manufacturing industries, it has also fostered a piecemeal approach in many areas.

Ironically, as Bill Kalb, contributing editor of the magazine *Automotive Industries*, explains: "The mass producers may be learning fastest but, in fact, small companies are the only ones with a complete CIM strategy."

EXPECTED PAYBACK FOR CIM



Source: Industrial Computing

The Need for New Skills

IN a recent survey by the British magazine *Industrial Computing*, one in three companies agreed that computerization cost jobs. Yet government-sponsored research predicts that, in the long term, CIM will create more work as companies gain additional business and an increased market share.

Strengthening the case for optimism, the magazine did identify an imbalance between the number of companies that already have CIM strategies and the proportion of those that have the skills to implement them. In Japan, 40 percent of the factory workers using computerized tools are engineering graduates. Similar firms in America have one college-trained engineer for every dozen workers. But in Europe there is a chronic shortage of qualified personnel.

Britain, having recognized its lack of mechanical designers and engineers, is seeing demand for the latter double every five years. In France there are not enough mathematicians. High-tech companies in the south of Germany

are competing for the services of skilled workers and, across the continent, programmers and systems analysts remain in short supply.

Universities will play a leading role in providing the engineering skills of the future, according to Datasquest, a Californian research firm. Identifying Western Europe, and most particularly West Germany, as a clear leader in terms of corporate, government and university cooperation, Datasquest contrasted the highly motivated European students with their counterparts in the United States. A sign of the times was the recent Hannover Fair, where over a dozen universities exhibited their own state-of-the-art developments.

But what will happen to the current generation of skilled workmen such as machinists whose jobs are clearly endangered by these high-tech developments? With their experience they are the people best qualified to understand machine sequencing and the operations that must be specified. As the move toward CIM

gathers momentum, it is likely that they will turn to production engineering and parts programming.

Paradoxically, the areas where the greatest changes are likely to be felt are the farthest from the shop floor.

No CIM strategy is complete without a thorough review of the inventory, goods in stock and work in progress that are costing the company money. Streamlining these procedures to cut overall costs is as much a part of CIM as any robot or computer. The main technique — known as "just in time" or JIT — requires very little investment, but delivers immediate, clearly quantifiable benefits.

Adopting this philosophy necessitates the close analysis of traditional management functions such as manufacturing resource planning — the biggest single source of overhead costs in most Western factories.

This area has been a focus of attention since the beginning of the decade, but only now is software beginning to exploit the possibilities of ty-

ing such functions into a complete CIM system.

The merging of disciplines is forcing companies to re-examine their preconceptions. Today it is engineers that order the materials, and shop floor controllers that tell the warehouse when they need more. For those that remain, there will always be work to do when the well-oiled machine grinds to a halt.

Robots may be getting smarter, but they still lack the human touch. On Ford's semi-automated transmission line in Michigan, one of the most critical tasks involves guiding a gearset down into its case-and-machined housing and engaging the main transmission shaft. Using a counterbalanced hoist, the operator lowers the gearset and carefully positions it by hand; no machine has the right "feel" for the task.

But as inventories are slashed and more information flows from system to system, the role of middle management is sure to change. Otherwise, according to one commentator, "you are only automating the problem."

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Closing the Information Gap

INTEGRATED information is developing into such a powerful tool in manufacturing companies that it needs to be thoroughly understood by top management. All too often, the fundamentals are needlessly obscured by jargon.

The confusion comes from focusing on components, such as a CAD/CAM (computer-aided design/computer-aided manufacturing) computer, rather than the characteristics of the completed information system, according to PA Technology's Thomas Snell.

"Only one top manager in 10 has a solid strategy for using information technology in his company and 65 percent of all manufacturers are implementing CIM tools with little regard to an overall system," he says. "Sections of the overall system are like bricks which are useless until fitted together into a house."

One supply house, American Hospital Supply, decided to quadruple its 20 percent market share in the late 1970s and succeeded. Its strategy was to replace the sales force with computer terminals at all customer premises. Customers could not only see what was available but order it and get instantaneous electronic confirmation.

One IBM user, a manufacturer, set itself the goal of becoming the quality leader in its industry while improving response times. It succeeded by linking its order entry system to assembly robots capable of mass producing individual units free from human error.

Top management in all areas of a manufacturing company need to grasp how CIM can aid in changing company goals and strategies.

According to Mr. Schäfer of AEG: "The purpose of CIM is to have the latest necessary information available at the right time and the right place. Furthermore, the base for decisions should be created faster and better, resulting in higher flexibility during the whole process of production."

Information that is stored on a computer and transmitted down a telephone line

saves time and money. Integrated information systems also allow a person in Kowloon to do work in Cologne, Cambridge or Caracas. General Electric Information Services offers a worldwide information network with computer centers in Maryland, Amsterdam and Hong Kong to support such systems. It is no longer essential to be on the premises to get things done.

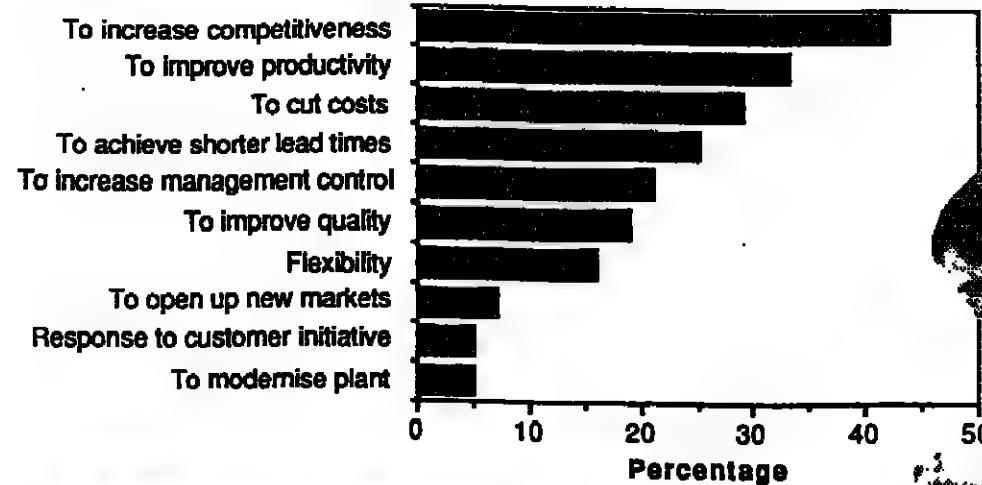
Furthermore, static information can be converted into motion. Traub machining stations are totally controlled by software, a fact that is reflected in the company's engineering department, where 56 percent of the engineers work in the software section. Once the shape of a product has been defined in terms of digital information, it can be converted into the coordinates a robot uses to move its arm from point to point.

"In this way we use robot cells in our Greenock Scotland factory to build keyboards for personal computers," says Taj Puri of IBM. A further development is speech. Static information can be captured in the form of text and fed into a synthesizer, which allows the computer to talk.

With CIM, duplication can be eliminated. In the average manufacturing company over 150 duplications occur in a standard order. Information entered one place in an integrated system can be used elsewhere. This not only cuts labor costs, it also reduces the chances of error.

"On the one hand, growing competitive pressure forces companies to make unproductive procedures, such as the manual exchange of information, more cost-effective. On the other hand, increasing product diversity, particularly in the metalworking industry, demands accelerated development and production. German industry's strong reliance on exports calls for an improved capability to respond to numerous individual market requirements that can change at short notice. These challenges must be met not only by large companies, but primarily by small and medium-size opera-

MAIN OBJECTIVES OF CIM PLAN



Left: circuits are assembled under program control. Above: all components can be swiftly identified.

tions if they want to remain competitive," as Dr. Hannes Polisch of Decker AG explains.

Integrated systems, if organized correctly, allow information in the system to be retrieved anywhere in the world. "Salesmen can check the availability of a product in the warehouse using a mailbox system," says G. Nissen of COMBOX, "and they are not tied to any one place or piece of equipment. A handheld computer can be used at home or in a hotel room."

This also applies to the customer's office, where the salesman will be able to call up product descriptions stored on the home office computer system. At another level, if everyone uses the same original it will always be up to date. Furthermore, departments need not stagger their work because information has not reached them yet.

"Less than 10 percent of order throughput time is work time," Snell says. "Ninety percent of the time someone is waiting to start work, because information is missing."

If the information has been entered in the system, it is



Operating an automated system for machining metal.

available. However, as Eberhard Knoblauch, president of Hewlett-Packard, Germany, says, "It will take some time before all companies will be so far along that data can really be entered once only and then retrieved everywhere it is needed."

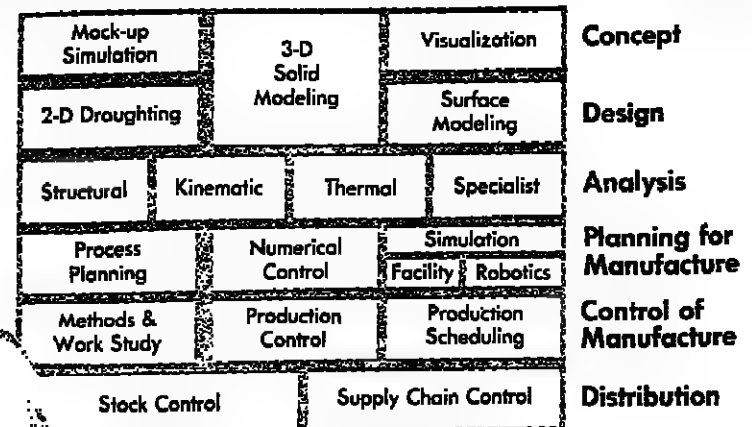
Maho AG, a German manufacturing company, uses flexible manufacturing cells as well as CAD/CAM, and is moving toward enlarged, integrated systems. But Dr. Georg Wenzel, the company's vice president, takes a realistic view of the work that remains. "Computer Integrated Manufacturing is so broad that CIM

can only be a goal. A goal that has information processing systems throughout the whole company at its very end. This goal cannot be reached in one step — it is a task for the whole future. In day-to-day reality more and more so-called 'islands' are created — smaller units of integrated systems."

The architecture of the system will depend on the type of company and its industry structure. Executives in high-volume production will have different information needs and strategies than those in job shop operations or in the processing industry.

Nonetheless, there are several issues all top managers must be able to cope with regardless of what industry they are in. The first is when to start with CIM.

Norman Scofield of PA Management Consultants in London says: "The time is now. The key factor is the combination of entrepreneurial creativity and a new technology. If the management of a company exhibits innovative flair, information technology offers a competitive advantage."



CIM (Continued from Page 11)

a worldwide supplier of systems for robotics and material handling.

In one venture, Renault Automation has joined with Comeau of Italy and the German subsidiary of Digital Equipment Company to design CIM software for small-batch production. They aim to create a control architecture that is standard enough to allow many companies to write specific software to work within the system.

Standardization has been a major headache for CIM users. General Motors, which uses more than 40,000 intelligent devices for design and manufacturing operations, estimates that 50 percent of the cost of installing new automation is spent making one computer talk to another.

GM moved to solve the problem by writing a Manufacturing Automation Protocol (MAP) and giving suppliers until 1988 to conform to its standards. Because of GM's sheer size, MAP is becoming accepted by most major U.S. manufacturing companies and in Europe as well. It has not, however, been implemented in many factories yet, except a few GM plants — and even in these not all seven layers of control are fully integrated.

Boeing is now trying to create a similar standard for the engineering department with its Technical Office Protocol (TOP).

But, for many companies, the cost of implementation is still too high. They are staying with proprietary protocols which are cheaper and more efficient in the short term.

Parallel to manufacturing control, developments in quality control are also moving onto the production line.

"Currently, about 15 percent of the American and 10 percent of the German workforce aren't producing," says John Wargin of Hewlett-Packard, Germany. "Instead, they are occupied with repairs and correcting errors. An immense boom is expected in this market over the next five years."

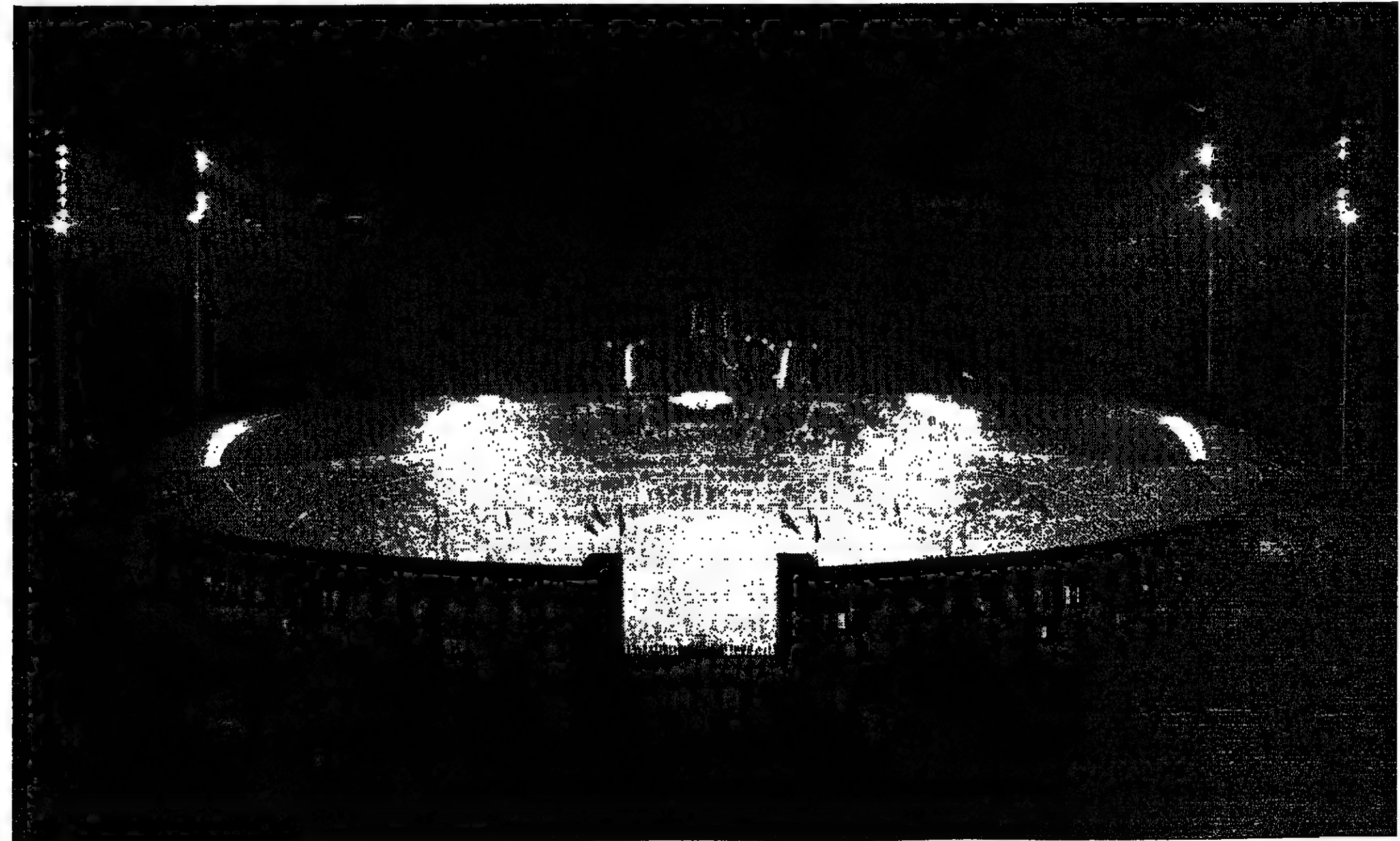
Computer aided quality covers more than the automatic inspection of parts. It also includes computer checks on specific dimensions and the integration of these results into useful data.

There is also in-process gauging, which means taking a measurement of a part just machined or formed, comparing the dimension to an established standard and then adjusting the machinery through feedback circuits. This is generally called "adaptive control" and experts say it can often reduce or even eliminate errors in machining and forming parts to specified dimensions.

In isolation, such techniques are interesting. When combined together, they can drastically alter a business. Most observers agree that CIM will totally change the thinking of top management. As one of them remarks: "You have to see it two ways. Should I do it? And what happens if I don't?"

This Advertising Section was prepared by J. Götzel.

There's a power failure — but nobody has even noticed.



The city of Berlin has to cover its electricity requirements with its own power stations and cannot fall back on the European grid to cope with peak demand. AEG designed and built the world's first and largest (17 MW) battery storage system in commercial use. It feeds standby power into the Berlin mains in a fraction of a second — without pollution.

Headquarters: AEG Aktiengesellschaft · Z 15 · Theodor-Storm-Kai 1 · D-6000 Frankfurt 70 · West Germany

Innovative technology from AEG. Here's more:

AEG's flexible automation systems: they boost production, cut energy costs and improve quality by providing numerous components with electronic intelligence that enables them to intercommunicate. This allows human workers to take up more challenging jobs than just looking after machines.

We currently have, under test, an automatic speech recognition system which will turn computers into "listeners" as well as "thinkers". Future generations of computers will take direction from the human voice, not the keyboard. The result? Simplified interaction between human and machine, and expansion of computer applications.

Error-free and reliable production software guarantees a smooth material flow and economical automation. ProMod, a software development environment, ensures high-quality, accurate and economical software. ProMod is integrated into the comprehensive advisory services of the AEG subsidiary and systems designer GEI.

AEG

NYSE Most Actives									
Vol.	High	Low	Last	Chg.	Vol.	High	Low	Last	Chg.
IBM	172.00	171.00	171.00	+1.00	IBM	172.00	171.00	171.00	+1.00
IBM	172.00	171.00	171.00	+1.00	IBM	172.00	171.00	171.00	+1.00
IBM	172.00	171.00	171.00	+1.00	IBM	172.00	171.00	171.00	+1.00
IBM	172.00	171.00	171.00	+1.00	IBM	172.00	171.00	171.00	+1.00

Market Sales									
NYSE	172.00	171.00	171.00	+1.00	NYSE	172.00	171.00	171.00	+1.00
NYSE	172.00	171.00	171.00	+1.00	NYSE	172.00	171.00	171.00	+1.00
NYSE	172.00	171.00	171.00	+1.00	NYSE	172.00	171.00	171.00	+1.00
NYSE	172.00	171.00	171.00	+1.00	NYSE	172.00	171.00	171.00	+1.00

NYSE Index									
NYSE	172.00	171.00	171.00	+1.00	NYSE	172.00	171.00	171.00	+1.00
NYSE	172.00	171.00	171.00	+1.00	NYSE	172.00	171.00	171.00	+1.00
NYSE	172.00	171.00	171.00	+1.00	NYSE	172.00	171.00	171.00	+1.00
NYSE	172.00	171.00	171.00	+1.00	NYSE	172.00	171.00	171.00	+1.00

NYSE Diary									
NYSE	172.00	171.00	171.00	+1.00	NYSE	172.00	171.00	171.00	+1.00
NYSE	172.00	171.00	171.00	+1.00	NYSE	172.00	171.00	171.00	+1.00
NYSE	172.00	171.00	171.00	+1.00	NYSE	172.00	171.00	171.00	+1.00
NYSE	172.00	171.00	171.00	+1.00	NYSE	172.00	171.00	171.00	+1.00

NYSE Most Actives									
NYSE	172.00	171.00	171.00	+1.00	NYSE	172.00	171.00	171.00	+1.00
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NYSE	172.00	171.00	171.00	+1.00	NYSE	172.00	171.00	171.00	+1.00
NYSE	172.00	171.00	171.00	+1.00	NYSE	172.00	171.00	171.00	+1.00

NYSE Most Actives									
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NYSE	172.00	171.00	171.00	+1.00	NYSE	172.00	171.00	171.00	+1.00
NYSE	172.00	171.00	171.00	+1.00	NYSE	172.00	171.00	171.00	+1.00

NYSE Most Actives									
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NYSE Most Actives									
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NYSE Most Actives									
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NYSE	172.00	171.00	171.00	+1.00	NYSE	172.00	171.00	171.00	+1.00
NYSE	172.00	171.00	171.00	+1.00	NYSE	172.00	171.00	171.00	+1.00

Stocks Rally; Dow Climbs 36.7

NEW YORK — Prices on the New York Stock Exchange staged their first substantial rally in more than a week on Tuesday as a firming dollar and higher bond prices momentarily calmed investors' worries about rising interest rates.

The Dow industrial average, which had fallen nearly 170 points since Oct. 3, rebounded 36.72 points to 2,508.16. Gainers led losers 9-6 among NYSE issues traded.

Trading was moderate because many investors still preferred to do nothing until Wednesday's government report on the U.S. trade deficit in August.

Volume rose to 172.9 million shares, from 141.9 million shares on Tuesday.

Broad-market indexes advanced. The New York Stock Exchange composite index climbed 2.50 point to 176.02, while Standard & Poor's 500-stock index rose 5.13 to 314.52. The price of an average share jumped 57 cents.

Traders said stock prices gained support from a rebound in the dollar, firmer bond prices and bargain hunting after last week's 6 percent decline in the Dow. Since hitting a record 2,722.42 on Aug. 25, the Dow has lost 9.2 percent of its value.

But traders said that buying was not aggressive as investors exercised caution before the release on Wednesday of U.S. merchandise trade figures for August.

"Capital preservation is the name of the game," said Peter Furniss, managing director at Smith Barney, Harris Upham & Co. He said many investors who have made major profits this year are willing to sell some stocks at this point and put some of those profits into bonds yielding 10 percent.

He said the market will respond to good news but that it is especially sensitive to negative developments.

Mr. Furniss said stock prices would react poorly to a wider-than-expected August trade deficit. Economists estimate the data will show the deficit narrowed to about \$13 or \$14 billion in August from \$16.5 billion in July.

Favorable trade data could boost the dollar, easing pressure on the Federal Reserve Board to support the U.S. currency with a policy of higher interest rates. This could take some of the upward pressure off interest rates and relieve concerns about rising rates that have hurt stock prices since late August.

Glaxo Holdings was the most active NYSE issue, rising 1/4 to 24 1/4. IBM followed.

Houston Industries was third, rising 1 to 34 1/4. Control Data rose 1 to 34. The company agreed to buy Time Inc.'s Semi-Burke unit. Time climbed 3 to 10 1/4 after reporting third-quarter net income of \$1.24 a share.

In the semiconductor group, National Semiconductor rose 1/2 to 20 1/2. Advanced Micro Devices climbed 1 to 20 1/2 and Texas Instruments added 1 to 7 1/4 and Motorola jumped 1 1/2 to 67 1/4.

Chemical issues were among the day's best gainers. Union Carbide jumped 1 1/2 to 30 1/4 and Du Pont rose 2 1/4 to 114 1/4.

NYSE Most Actives									
NYSE	172.00	171.00	171.00	+1.00	NYSE	172.00	171.00	171.00	+1.00
NYSE	172.00	171.00	171.00	+1.00	NYSE	172.00	171.00	171.00	+1.00
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NYSE Most Actives									
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NYSE	172.00	171.00	171.00	+1.00	NYSE	172.00	171.00	171.00	+1.00

NYSE Most Actives									
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NYSE	172.00	171.00	171.00	+1.00	NYSE	172.00	171.00	171.00	+1.00
NYSE	172.00	171.00	171.00	+1.00	NYSE	172.00	171.00	171.00	+1.00

NYSE Most Actives									
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NYSE	172.00	171.00	171.00	+1.00	NYSE	172.00	171.00	171.00	+1.00

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MADISON AVENUE

Interpublic Group Forges One of Top 10 Agencies

By PHILIP H. DOUGHERTY
New York Times Service

NEW YORK — The Interpublic Group of Companies announced on Tuesday the merger of two of its units, SSC&B:New York and Campbell-Ewald Co., the Detroit agency historically linked to the huge Chevrolet account. The new U.S. agency will be known as Lintas:USA. With Lintas International it will be part of the renamed agency group, Lintas:Worldwide, formerly SSC&B:Worldwide.

The merger will create one of the world's 10 leading agencies, with billings of about \$2.8 billion. Of that, \$1.7 billion will come from Lintas:International and \$1.1 billion from Lintas:USA.

William V. Waltham, 58, remains chairman and chief executive officer of the renamed Lintas:Worldwide, which is based in London. He will be chairman as well of the newly formed Lintas:USA.

Lintas:USA will consist of three units, each headed by a chairman-chief executive officer: Lintas:Campbell Ewald, by Richard O'Connor, 55, currently head of Campbell-Ewald; Lintas:New York, by Spencer Plavoukos, 51, currently head of SSC&B:New York; and Lintas:CECO, by James Bernardin, 58, currently head of CECO. Until the merger announcement, CECO had performed direct marketing and other specialized services for Campbell Ewald and will now do so for Lintas:New York as well.

Lintas:International, which also has its headquarters in London, had been known as SSC&B:Lintas International. It will continue to be headed by Kenneth L. Robbins as chairman and chief executive.

When Interpublic acquired Campbell-Ewald in 1972 it was the biggest buyout in agency history. Last year Campbell-Ewald billed \$584 million and ranked 19th among American agencies. SSC&B and part of Lintas were bought in 1979, and last year the combined unit had \$1.6 billion in billings and ranked 13th.

Arnold A. Tucker has been named president and chief executive of the newly formed Hill & Knowlton Asia Pacific region, which resulted from the merging of the Australasia unit's nine offices in Australia and New Zealand, and the Asia unit's six offices.

Mr. Tucker once headed the public relations company's Hong Kong office. He now heads the Australia-New Zealand operation. Hill & Knowlton is a subsidiary of the WPP Group of London.

In the agency world there are the conglomerates, as typified by Seatchi & Seatchi and the Interpublic Group of Companies, and the colonial (or branch) networks, like those run by J. Walter Thompson, Young & Rubicam and Foote, Cone & Belding. A more recent phenomenon is what Peter Scott, chief executive of Britain's WCRS Group, describes as a "creative federation."

Speaking at an advertising convention in Laguna Niguel, California, he described conglomerates and colonial networks as "yesterday's solutions," and said his agency and its peers were geared to the concept that "business but not advertising or creative solutions is becoming global."

He didn't have to tell his audience that the conglomerates are giants composed of differently named chains or that the networks are single agencies with many far-flung offices.

All the talk about global ad campaigns may be fine for a Coca-Cola, he said, but there are few other such companies that might benefit. His point was that the advertising of most global products requires local solutions.

Earlier in his speech, Mr. Scott said that as the American See MADISON, Page 17

Currency Rates

Cross Rates	Oct. 13
Australia	1.3700
Belgium	36.3600
Canada	70.8700
France	6.5596
Germany	1.9364
Italy	1.3660
Japan	163.87
Netherlands	20.3606
Spain	166.6364
Switzerland	7.4865
United Kingdom	1.9360
West Germany	1.9360
Yen	163.87

Other Dollar Values	Oct. 13
Australian dollar	0.7250
Belgian franc	36.36
Canadian dollar	0.7087
French franc	6.5596
German mark	1.9364
Italian lira	1.3660
Japanese yen	163.87
Netherlands guilder	20.3606
Spanish peseta	166.6364
Swiss franc	7.4865
U.S. dollar	1.0000

Forward Rates	Oct. 13
30-day	1.4400
60-day	1.4400
90-day	1.4400
180-day	1.4400
360-day	1.4400

Interest Rates

Eurocurrency Deposits	Oct. 13
1 month	7 1/4%
3 months	7 1/4%
6 months	7 1/4%
1 year	7 1/4%

Key Money Rates	Oct. 13
Discount rate	5 1/4%
Prime rate	9 1/4%
Federal funds	7 1/4%
90-day Treasury bill	7 1/4%
1-year Treasury bill	7 1/4%

Japan	Oct. 13
Discount rate	5 1/4%
Prime rate	9 1/4%
90-day Treasury bill	7 1/4%
1-year Treasury bill	7 1/4%

France	Oct. 13
Discount rate	5 1/4%
Prime rate	9 1/4%
90-day Treasury bill	7 1/4%
1-year Treasury bill	7 1/4%

Germany	Oct. 13
Discount rate	5 1/4%
Prime rate	9 1/4%
90-day Treasury bill	7 1/4%
1-year Treasury bill	7 1/4%

Salomon and the Anguish of Withdrawal

Other Wall Street Firms May Face Layoff Decisions

By Kenneth N. Gilpin
New York Times Service

NEW YORK — After making millions by helping bloated industrial giants to bolster profits through restructurings and cost-cutting moves, Wall Street's largest firms are being forced to heed their own advice.

With Wall Street facing volatile markets and rising competition, the layoffs announced Monday at Salomon are not likely to be an aberration, analysts and investment bankers said.

Several other firms, including E.F. Hutton & Co. and First Boston Corp., are engaged in reviews similar to the one that led to the decision to cut 800 Salomon employees.

"This could very well be the beginning of Wall Street's long-awaited retrenchment phase," said Martin H. Long, an analyst who follows the securities industry for Lipper Analytical Services.

"You have to give Salomon See SALOMON, Page 17



Michael R. Bloomberg
Former chief of equity trading at Salomon. He now runs Bloomberg Inc., which supplies computerized information on securities trading.

Jon W. Rotenszweig
He helped put Salomon in the big leagues of underwriting with a key 1981 offering. He is now president of the Tordmark Corporation.

Robert Dall
The man who developed Salomon's mortgage-backed securities business. He is now senior vice president at Drexel Burnham Lambert.

Jack Manning/The New York Times

For the 'Class of '81,' an Uneasy 'What's Next?'

By William Glaberson
New York Times Service

NEW YORK — One day this summer, Lewis S. Ranieri had one of the best jobs on Wall Street. The next, at the instigation of the Salomon Brothers chairman, John H. Gutfreund, Mr. Ranieri was out: out as vice chairman of the powerful company and out of Salomon altogether.

Mr. Ranieri, 40, went home with millions of dollars and a reputation as a brilliant competitor that he earned in 21 years as Salomon's rising star. He was suddenly, as one of his old colleagues at Salomon put it, "outside the sandbox" in which he had spent his entire professional life.

Some on Wall Street said the Ranieri episode was a classic power struggle. Others saw it as a sign that the changing financial business no longer had room for restless innovators. But whatever it meant to others, to Lewis Ranieri it meant he had to figure out what to do with the rest of his life.

Mr. Ranieri's wealth assures that he will never have to confront the fears that preoc-

cupy most people who lose their jobs. But, as a group of men he knows well have discovered, life after Salomon can present its own sharp challenges.

Until Salomon Brothers merged with the publicly owned Pibro Corp. in 1981, the men were Mr. Ranieri's partners, part of a privileged collection of 62 who had worked their way to the summit of the country's largest privately owned investment bank.

The Pibro deal made the rich men even richer: Every member of Salomon Brothers' "Class of '81" received an average of \$7.8 million for his partnership shares.

But in the six years since the merger, almost half of the 62 found their way — or were pushed — out the door of the firm they propelled into Wall Street's top tier.

A few of the men retired with their millions. But most are busily proving what most people believe, but few have the luxury of testing: People work to give their lives meaning, not only to feed their families.

Salomon was, in the years when the mem-

bers of the class of '81 were climbing its ladder, a tough place to work. But there was a feeling in the air that it was going somewhere. With a lean, aggressive style, it transformed itself in a matter of years from a modest bond house with limited corporate ties into a Wall Street powerhouse.

Salomon's big stakes, its Spartan style, the sharp elbows one fended off inside the firm, and the steady victories against its adversaries may have intensified the pressures on those who later tried to make it on the outside.

"Salomon was home," said Robert F. Dall, one of the members of the Class of '81.

Michael H. Bloomberg, 45, drives himself harder these days, if that is possible, than he did in 15 intense years at the firm. The name on the door now is his own: Bloomberg Inc. When he was winning in Salomon's bruising internal wars in the mid-'70s, Mr. Bloomberg occupied one of its prestigious seats: chief of the equity trading desk. He also designed a sophisticated computerized trading system.

See CLASS, Page 17

Saunders Faces 37 New Charges In Guinness Case

By Warren Getler
International Herald Tribune

LONDON — Ernest Saunders, the former chairman of Guinness PLC, was charged Tuesday with a further 37 offenses relating to its takeover of Distillers Co., including the theft of £20 million (\$33.1 million) of Guinness funds.

In another important development in the case, detectives arrested Gerald Ronson, 48, chairman of Britain's second-largest private company, on eight charges including the alleged theft of £6 million in Guinness funds.

Mr. Saunders, 51, already faced three charges of attempting to obstruct the course of justice, and falsifying and destroying documents, all related to the Distillers takeover.

After facing the new charges in a local magistrates court, Mr. Saunders was released on his previous bail of £500,000 pending a court appearance on Nov. 3.

Mr. Saunders was charged with 10 counts of theft; 10 of false accounting; 10 of procuring the execution of a valuable security; two of common law conspiracy to manipulate market securities; and five of enabling Guinness to provide financial assistance in the purchase of shares.

A Metropolitan Police officer in charge of the investigation told Reuters that the theft charges against Mr. Saunders totaled £20 million.

After the court hearing, Mr. Saunders said, "The mere idea that I have been putting my hand in the Guinness till is absolutely appalling."

"I have stolen nothing. I have nothing to hide," he said.

A Scotland Yard spokesman said Mr. Ronson, who heads Heron International PLC, a property and trading group, had also been charged with false accounting related to Guinness's bid, in April 1986.

Mr. Ronson, who is the third person charged in connection with the case, is expected to appear in court on Wednesday.

The charges are in connection with alleged illegal tactics em-

played by Guinness during its £2.7 billion takeover bid for Distillers.

Government inspectors and police have been investigating allegations that Guinness, the big British beverage maker, may have bought its own shares during its successful bid for Distillers, a maker of Scotch whisky. A rival bid by Argill Group PLC failed.

Such a share purchase, which would have made Guinness's stock rise in value to "sweeten" its offer, would be improper under the British Companies Act.

On Jan. 16, Guinness' newly-formed board reported that it had discovered £25 million of invoices for services rendered by certain individuals during the Distillers battle.

At the time, Guinness told its shareholders that the board was concerned that some or all of the £25 million of fees to third parties might have involved payments by Guinness in return for share buying activity in support of the Distillers bid.

Following the disclosure, Mr. Ronson said in a letter to Guinness' management that he had received checks valued at more than £5.6 million from Guinness for what he described as "services" in support of the Guinness bid.

Those services, he said, included the purchases of millions of pounds worth of Guinness shares during the concluding stages of the bid.

Mr. Ronson eventually returned the money to Guinness in January, claiming that at the time he did not believe the agreement involved any breach of British law.

A Scotland Yard spokesman said that police arrested Mr. Ronson when he voluntarily entered a police station on Tuesday, apparently intending to discuss his role in the Guinness affair.

Scotland Yard detectives last week arrested Sir Jack Lyons, 71, a millionaire and prominent corporate consultant, on charges of stealing £3.15 million from Guinness during the takeover bid and of false accounting.

Sir Jack has since been released on £500,000 bail until a court appearance scheduled for Nov. 3.

IF YOU PURSUE EXCELLENCE, ONLY ONE BANK CAN KEEP UP.

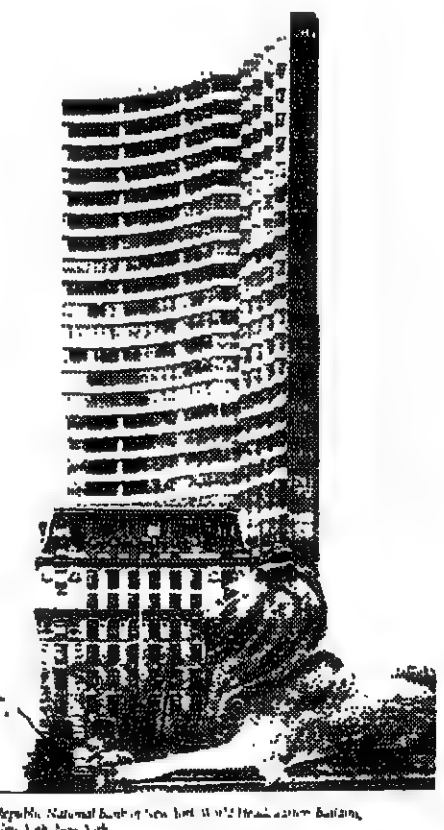
is a single, fundamental principle: the protection of depositors' funds. It should come as no surprise, then, that this pursuit of excellence results in considerable advantages to private banking clients, and the application of the very highest standards of excellence to the handling of your personal finances. Republic's subsidiary in Luxembourg provides private banking clients with the protection of the stringent banking laws of that

The dedication to excellence of Republic National Bank is a natural outgrowth of the strong beliefs of its founder and principal shareholder, Edmond J. Safra. Republic is firmly committed to such sound, traditional banking practices as diversification and the maintenance of a strong capital base.



country, and experienced account officers who speak your language. And Republic's expertise internationally allows you to take advantage of opportunities to better manage your investments on a global scale.

The pursuit of excellence is our commitment. If that is something you expect of your bank, call us today at our Luxembourg office (352) 470 711.



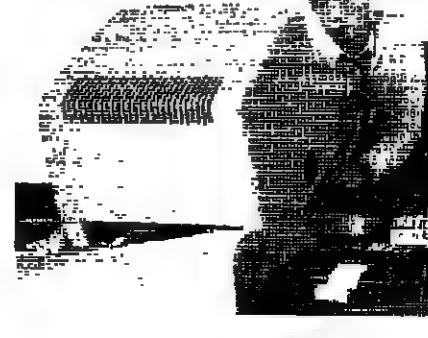
REPUBLIC NATIONAL BANK OF NEW YORK
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NEW YORK MIAMI LOS ANGELES MONTREAL
LONDON PARIS LUXEMBOURG MONTE-CARLO
MILAN GIBRALTAR GUERNSEY HONG KONG
SINGAPORE TOKYO PANAMA NASSAU BUENOS
AIRES SANTIAGO MONTEVIDEO CARACAS MEXICO
CITY PUNTA DEL ESTE RIO DE JANEIRO SAO PAULO

FIGURES AS AT DECEMBER 31, 1986:
TOTAL ASSETS:
US \$ 168 billion
SHAREHOLDERS' EQUITY:
US \$ 1.6 billion

For Republic National Bank of New York, the relentless pursuit of excellence has achieved nothing less than excellent results. Republic has grown to be the 11th largest bank in the United States, in terms of shareholders' equity. It is active in 19 countries around the world, including the important banking centers of London, Luxembourg, Milan, Paris, Hong Kong, Singapore, Montreal, Tokyo, and of course, New York.

The bank has always been highly selective in lending. It emphasizes very conservative activities, investing in safe and liquid assets and using its extensive expertise to trade profitably in precious metals, foreign exchange, bonds and bank notes. Underlying every aspect of Republic National Bank's pursuit of excellence



Gold

	Oct. 13
Gold	412.25
Gold (100g)	412.25
Gold (100g)	412.25
Gold (100g)	412.25
Gold (100g)	412.25

BUSINESS ROUNDUP

Tax Saving Helps Lift IBM Net 12%

By Our Staff From Dispatches
NEW YORK — International Business Machines Corp. reported today that earnings rose 12 percent in the third quarter, the first year-on-year gain since the first quarter of 1986, but said that much of the gain came from a lower-expected tax rate.

The three months ended 30, IBM said earnings totaled \$1 billion, or \$2 a share, compared with \$1.08 billion, or \$1.76 a share, a year earlier. Revenue rose 7 percent to \$12.73 billion, a \$1.91 billion a year earlier.

Italy Details Plan to Privatize Mediobanca Merchant Bank

By David Brown
Special to the Herald Tribune

ROME — The board of Italy's largest holding company, Mediobanca, announced today a plan to privatize the powerful bank.

The decision to give up majority control through a stock issue represents an unprecedented step in the process of privatization.

The operation is expected to raise about 1.4 trillion lire (\$1.07 billion) officials said. It will be the first time a state-owned company's issue is offered on the Milan bourse.

Analysts say the current move was prompted by a need to clarify the issue of control at Mediobanca, which holds important minority shareholdings in Italian industry.

IBM cited the impact of cost reductions, including the elimination of 11,000 workers, as well as the sale of an application systems division that was designed to bolster IBM's software position.

"IBM's efforts to become more competitive are taking hold," said John F. Akers, the company's chairman.

But the report disappointed analysts and investors. IBM shares initially fell \$4.50, but pulled back to close at \$148.75, down 75 cents, on the New York Stock Exchange.

Analysts said net got an extra

BAT to Expand U.S. Saks Chain

By Our Staff From Dispatches

NEW YORK — BAT Industries PLC said Tuesday that its U.S. subsidiary would spend \$500 million over five years to expand and modernize its Saks Fifth Avenue retail chain.

The unit, Batus Inc., also owns Marshall Field's, Ivey's, Bremers and Thimbles stores.

The company said it would expand, replace or renovate more than 25 stores, and would build new stores in Virginia, Minnesota, Colorado, Oregon and Florida.

When the expansion is complete, BAT said, the Saks chain will have 49 stores compared with 44 now.

BAT said its flagship unit on Fifth Avenue in New York would be expanded by about 30 percent. Batus is also investing \$110 million to renovate the Marshall Field's main store on State Street in Chicago.

Merrill Lynch Net Jumps 108% on Property Deal

By Our Staff From Dispatches

NEW YORK — Merrill Lynch & Co. said Tuesday that its third-quarter net profit shot up 108 percent, to \$195.1 million, above year-earlier levels, mainly because of a nonrecurring gain from a real estate interest sale.

Earnings came to \$1.78 a share, on revenues of \$3.023 billion, compared with net profit of \$93.7 million, or 88 cents a share, in the 1986 quarter, when revenue was \$2.334 billion.

The results included gain from a previously announced sale of Merrill Lynch's right to acquire a partnership interest in a tower building in Manhattan's World Financial Center and related transactions.

The sale earned the company \$122.6 million before taxes and \$100.3 million after taxes.

Without the gain from the interest sale, Merrill Lynch's third-quarter net earnings would have been \$94.8 million.

"Excluding the real estate gain, Merrill Lynch's earnings were pretty much flat," said Rodrigo Quintana, an analyst with Argus Research Corp. "They really didn't do that great."

The company was more positive on the subject of performance. "Revenues were up in all our major operating areas, aside from principal transactions," it said.

"We again demonstrated our across-the-board strength, both in capital markets and in consumer markets, reinforcing our one-firm, two-sector strategy."

The company said its investment-banking revenues were up 21 percent, aided by strong gains in corporate bond and stock underwriting and private placements.

Principal transactions "were down only 5 percent despite the difficult fixed-income trading environment experienced during the quarter," Merrill Lynch said.

In Chicago, First Chicago Corp. said it expected a loss for the year of \$440 million to \$470 million because of an \$800 million loss reserve to cover shaky loans to Third World nations. The anticipated loss was above the \$420 million to \$450 million first announced in April.

The adjustment came as the company reported lower third-quarter net earnings of \$64.9 million, down from \$72.3 million in the like 1986 quarter.

(UPI, Reuters)

Paribas to Buy Stockbroker

By Our Staff From Dispatches

PARIS — Banque Paribas said Tuesday that it has reached agreement to buy the stockbrokerage firm of Courcoux-Bouvet SA in a move to prepare for the planned deregulation of the Paris stock market.

The merchant's bank's president, Michel François-Poncet, said Paribas would buy the entire capital of Courcoux-Bouvet by 1990. No price was given.

Legislation that would allow outside interests to take stakes in French brokerages for the first time is expected to be approved by the National Assembly by year-end.

The Paris Bourse is now restricted to 45 members.

France's three largest banks, Banque Nationale de Paris, Société Générale and Crédit Lyonnais, have reached similar agreements, as have the financial groups Crédit National and Compagnie du Midi.

Over the years, even before the merger, many of the Salomon names Wall Street knew best drifted away from the firm.

William E. Simon left in 1972 to become deputy secretary and then secretary of the Treasury in the Nixon administration. Mr. Simon has spent the years since he left government building a huge financial empire.

James D. Wolfensohn, the investment banker who put Salomon in the spotlight as Chrysler's chief advisor during the automaker's troubled years, left immediately after the buyout. He now runs his own financial consulting firm in New York.

Jay H. Perry and Richard D. Rosenthal, leading geniuses who contributed as much as anyone to the building of the firm, also left.

Mr. Perry, who put Salomon on the map as a trader of huge blocks of stock for institutional investors, never made it into the class of '81. He lost his struggle with Mr. Rosenthal, who was banished to the Dallas office, and left in 1978. After stays at two other securities houses, he died of leukemia in 1985.

Mr. Rosenthal, a high school dropout with a genius for making money in arbitrage, was one of the firm's leaders at the time of the Phibro buyout. But the next year, he surprised everyone by becoming the first partner after the deal to leave. He dabbled in business on his own over the next few years but died on a dizzy day last April when the twin-engine plane he was piloting crashed. He was 45.

The experts say successful executives often have difficulty adjusting to freedom when they find themselves suddenly out of a job, even when they quit on their own.

James A. Wilson, a business professor at the University of Pittsburgh and a psychologist, says he has seen many people who have fulfilled the American dream. Many of them, he said, slip into depression when forced to build a new career.

In the highly specialized, clubby world of Wall Street, the anguish of withdrawal can be especially intense — and some top Salomon executives have yet to face it: the company is in the midst of a broad restructuring that will trim the ranks further. On Monday,

man, one of the founding Lehman Brothers, where Mr. Bernhard had worked.

Today, his Bernhard & Associates has four partners, manages more than \$100 million and makes periodic investments in companies. It is now breaking even and making substantial profits on its investments. But, he said, with the ring of the Salomon optimist he had become, he wouldn't object if a big investment-banking client walked in the door of his Sixth Avenue office tomorrow morning. "We are still waiting for deals," he said.

Stanley Arkin, 52, a securities trader who was given early retirement at the time of the merger, said he felt the wealth he accumulated at the firm made it impossible for him to work ambitiously anywhere else.

Still, Mr. Arkin goes almost every day to an office he shares in midtown Manhattan and actively trades for his own account. Leaning across his desk, he pushed a button on the Quotron machine.

"Unchanged," he said. "I'm still a trader at heart."

There was a little loneliness in his voice.

LASS: Life After Salomon Created Problems for Some of Its High-Powered Executives

By Our Staff From Dispatches

SALOMON was, in the early '70s, a place where comes like Mr. Rosenstreich thrived on the intense intramural competition somewhat managed by the firm's all-powerful top partner, William R. Salomon.

Under "Billy's" leadership, Mr. Rosenstreich developed the concepts for several new securities and helped engineer one of Salomon's major breakthroughs into the ranks once limited to a handful of old-line firms, the underwriting of a debt offering by International Business Machines Corp. in 1979.

The problem with some of Salomon's important geniuses, though, was that they had a

tendency to get impatient. Mr. Rosenstreich started to feel itchy in 1983. "I looked forward and I said 'What's going to happen in the next 10 years? Am I just going to do a thousand and one transactions?' Once you've done a transaction, once you've done a corporate financing, it's only repetition."

Mr. Rosenstreich, like many of his old partners, learned quickly that his "free will" had been shaped unthinkingly by life at Salomon. Regardless of whatever else was important to each, a Salomon partner's life was business — 24 hours a day, seven days a week.

After five months of freedom, Mr. Rosenstreich accepted an offer to become corporate treasurer of IBM. He found out during the time he was between jobs, he said, that he was still the same man who had moved so fast through the ranks at the hottest firm on the Street. Being rich and free had only increased his ambition.

"You don't play this game for other people," he said. "You play this game for yourself. The fact that you have been given more resources is every reason to go on and do

more. It doesn't end." After nearly three years at IBM, Mr. Rosenstreich left to become president of Torchmark Corp., an insurance and financial services company.

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MADISON: Agency Joins Top 10

By Our Staff From Dispatches

TV remote-control channel-changer immediately increases its penchant for flipping. But how much?

By 75 percent, according to a research report from J. Walter Thompson. Flipping is heaviest when the programs are short and the audience is young.

While that may all seem gloomy to an advertiser spending around \$100,000 for 30 seconds of air time, JWT did find a silver lining: "The scenario may not appear so gloomy when we consider that flipping is done by people in the room, giving their full attention to the television set."

These are "highly involved, highly selective viewers," it continued, "viewers randomly drawn into the audience of your commercial, viewers quite likely to consider a good commercial as entertaining as programming on another channel."

Mr. Scott maintained that there has also been a return of creative advertising in the British tradition that was all but stamped out by the introduction of on-site American managers and their promulgation of research-dominated creativity.

Came the revolution, and "the British advertising industry once again came to believe that advertising could be effective without being insipid," he said. "It remembered that advertising could entice, charm, amuse and flatter the consumer and still be effective."

Everyone knows that a family that finds itself the possessor of a

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Weekly net asset value on 9-10-1987 U.S. \$8.79
Listed on the Amsterdam Stock Exchange

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International Telex: 620582
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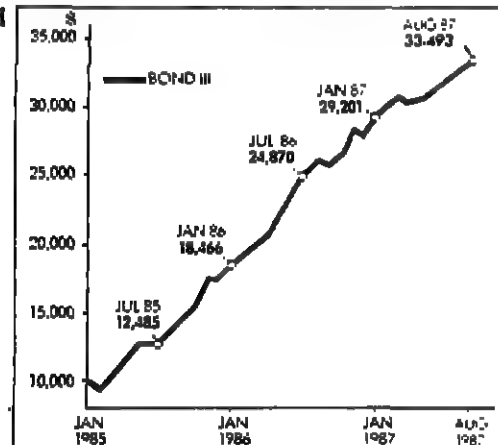
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As the graph shows, \$10,000 invested in Royco High Performance Bond III grew to \$33,493 over the 32 months ending August this year. That's an astonishing near 335% increase. We challenge you or your professional adviser to name one other managed investment that performed even remotely so well over the period.

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The secret of Royco Bonds' performance is investment in traded options — one of the world's fastest growing markets and one in which Royco experts have developed a thoroughly researched trading programme based on worldwide data gathered over the past 25 years, pinpointing trends and generating recommendations that enable us to trade at the most favourable prices.

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Different people have different needs, so Royco offers a choice of bonds. You can invest in DM, SF, FF, UK£ or US\$, the minimum being DM10,000 or other currency equivalent, with repayment in the same currency.

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— Bond III offers the highest possible return — a 75% share of net profits, with liability limited to the sum invested. In any of the bonds, your capital may be withdrawn at any time after the first year on giving appropriate notice.



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ALOMON: Firms Weigh Layoffs

By Our Staff From Dispatches

NEW YORK — "They are the first to ax a business, in this case capital bonds, because it hasn't a money-maker. You could hat spread to a number of firms."

A sharp rise in interest rates the past six months has soured finance in almost every profit at most of the major firms.

Wall Street is beginning to wonder whether the pause in the year-old bull market might be the start of a cyclical turn.

"The markets have been tough," one investment banker. "Now market for people seems to be tough, too."

One of the professionals interviewed said they expected other firms to duplicate Salomon's move, mostly because Salomon had expanded aggressively.

Salomon had laid off its staff by 40 percent in the year, to 6,500.

W. Eckenfelder, a vice president and securities industry at Prudential-Bache Securities, said a lot of firms must figure whether the slower business of

the past few months will continue. "You don't want to get yourself so lean that you can't handle an uptick in business," he said.

Spokesmen at a number of major retail brokerages, including Merrill Lynch and Prudential-Bache, said their firms had no current plans to pare staff.

However, officials at the firms are watching. In a recent memo to employees, George L. Ball, chairman of Prudential-Bache, said that business was "noticeably, no-kidding, threateningly down."

"Retail reeks, institutional is insipid," and "trading is tepid," he wrote. "Only overhead shows an upward bias."

Mr. Ball told employees to cut business expenses, prepare for lower year-end bonuses and redouble efforts to bring in business.

And last month, Shearson Lehman Brothers announced that it was laying off 150 of its 1,350 London employees, and trimming its public finance department by nearly a third.

Schlumberger
FAIRCHILD SEMICONDUCTOR SALE TO NATIONAL SEMICONDUCTOR COMPLETED

NEW YORK, New York, October 8 — Schlumberger Limited today announced the completion of the sale of Fairchild Semiconductor to National Semiconductor.

As was previously stated, National will pay Schlumberger in common stock and warrants with a guaranteed cash value of approximately \$122 million.

"Indigo is not a licensed broker. Indigo is located at 1100 Madison Avenue, 11th Floor, New York, N.Y. 10017. Phone 212-693-0000. Telex 79422.

Dollar Drama
The buck turned up in late September as leveraged players had been buying nonconvertible debt and a couple days. Nonconvertible debt had arrow money to the Fed-funds rate was pushed out of on the upside with T-bond futures may increase the other way. These the new conditions that make a direct trader's day while conditions ripple where. A note, phone call or letter will give you complimentary coverage of how preference is turned to profit.

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MasterCard

EUROCARD

Your Key to Germany



Tuesday's AMEX Closing

Tables include the national prices up to the closing on Wall Street and do not reflect late trades elsewhere.
Via The Associated Press

12 Month High Low	Stock	Div. Yld. PE	52 Wk High Low	Close	Chg. Crs.
12 1/2	ABM	2.00 10 1/2	12 1/2 10 1/2	10 1/2	+
12 1/2	ABM	2.00 10 1/2	12 1/2 10 1/2	10 1/2	+
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AMEX Highs-Lows

NEW HIGHS	NEW LOWS
Adams	Adams
Adams	Adams
Adams	Adams
Adams	Adams
Adams	Adams
Adams	Adams
Adams	Adams
Adams	Adams
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Adams	Adams

Shamrock Bids For Warehouse

BURBANK, California—Shamrock Holdings Inc. said it has offered to buy Warehouse Entertainment Inc. for about \$12.5 million. Shamrock, which is owned by the Roy E. Disney family, said in a letter to Warehouse that it offered to buy its outstanding shares for \$14.25 a share in cash. Shamrock also said it made a filing with the securities and exchange commission, confirming its recent purchase of 567,500 Warehouse shares, representing 6.65 percent of its 8.5 million shares outstanding. The company said the cash offer represents a 33 percent premium over Monday's closing price of \$10.75 for Warehouse shares on the American Stock Exchange. It also said it might be willing to raise the offer. Stanley Gold, Shamrock's president, said, "Additional value in Warehouse can be demonstrated, we are prepared to increase the value of our offer in the context of a negotiated transaction."

Floating-Rate Notes

Issuer/Note	Oct. 13	Issuer/Note	Oct. 13
Alaska Pacific	7.00	Alaska Pacific	7.00
Alaska Pacific	7.00	Alaska Pacific	7.00
Alaska Pacific	7.00	Alaska Pacific	7.00
Alaska Pacific	7.00	Alaska Pacific	7.00
Alaska Pacific	7.00	Alaska Pacific	7.00
Alaska Pacific	7.00	Alaska Pacific	7.00
Alaska Pacific	7.00	Alaska Pacific	7.00
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Alaska Pacific	7.00	Alaska Pacific	7.00
Alaska Pacific	7.00	Alaska Pacific	7.00
Alaska Pacific	7.00	Alaska Pacific	7.00

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Resident

Restoring Dea

BY APP
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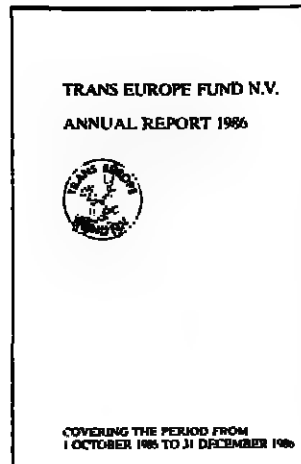
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FROM INTERNATIONAL INVESTOR VI
Herald Tribune

The latest information from the distinguished companies listed in this section are available to you at no charge. Simply circle the appropriate number on the coupon at the bottom of the page before November 18th, or telex the numbers with your return address, and the report(s) will be mailed to you by the companies involved.

TRANS EUROPE FUND N.V.

Trans Europe Fund - quoted on the Amsterdam Stock Exchange - is one of Europe's fastest growing open end investment funds. It offers the investors a well diversified participation in companies, whose operations are based in the European Community, the Scandinavian countries and in Switzerland. Not only big, wellknown companies but interesting smaller ones are also included in the Fund's holdings. The management bases its policy on fundamental investment and macro economic research and follows an active and alert investment approach, anticipating future developments. Shares Trans Europe Fund: an effective and convenient way to participate in Europe's future. Information: ABN-de Neufville International Investment Advisory Company B.V. P.O. Box 669 1000 EG AMSTERDAM.



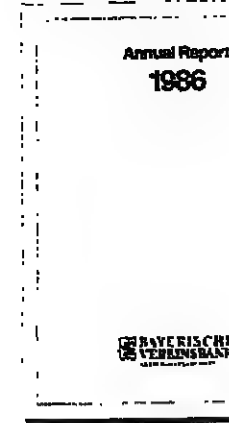
BASF

BASF is a major international chemical company. Its trailblazing scientific and technological achievements, integrated production and intensive marketing have built a significant position for BASF in world markets. In 1985 the world economy was substantially characterized by the drop in oil prices and the declining value of the dollar. Both factors put heavy pressure on chemical product prices. Although BASF sold higher volumes, sales receded for the first time since 1975. In spite of these turbulences BASF had a good year in 1986, in keeping with the standard of the previous years' successes.



BAYERISCHE VEREINSBANK AG

BAYERISCHE VEREINSBANK AG paid its more than 90,000 shareholders an increased dividend of DM 13.00 (= 26%) for 1986. As a successful commercial and mortgage bank, we have continued to expand at home and abroad. Total assets rose by DM 1.3 billion to DM 80.9 billion in the second quarter, falling short of the year-end figure for 1986 by less than DM 0.6 billion. At mid-year 1987 total assets of the BV Group rose by DM 1.6 billion to DM 141.7 billion. BAYERISCHE VEREINSBANK shares are traded on all stock exchanges in the Federal Republic of Germany as well as in Zurich, Geneva, Basel and Vienna. The bank is active through its branch network in all parts of the world, in the U.S.A. (five outlets), in Japan (two outlets), in South America, in China (Beijing), in Hong Kong, in the Middle East, in Africa and in Europe. The number of outlets comes to roughly 400 altogether. Information on BAYERISCHE VEREINSBANK'S top-quality shares can be had under our Munich telephone number (089) 3884-8811.

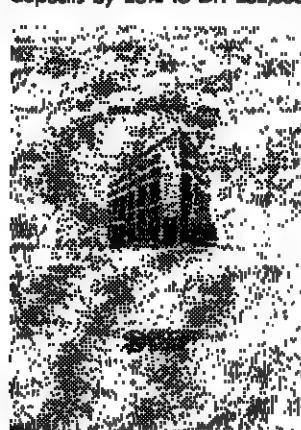


CERUS

CERUS: Consolidated net profit of 194 million francs for the first six months of 1987. CERUS, the French holding company of the De Benedetti Group created on July 1, 1986, had a consolidated net profit of 194 million French Francs for the first six months of 1987. This compares with a non-consolidated profit of 54.3 million French Francs for 1986. Annual earnings for 1987 are expected to be in line with those of first six months. CERUS, which is now one of the major Groups listed on the Paris Stock Exchange, has become a diversified holding company with major investments in Valeo, Yves Saint Laurent and Pearson plc. Two share issues, the first in January and the second in April, were successfully offered in 1987. VALEO, in which CERUS has a controlling stake, had a consolidated net profit of 203 million French Francs, representing 2.8% of total revenues, during the first six months of 1987. YVES SAINT LAURENT, a company in which Cerus is associated with Yves Saint Laurent and Pierre Bergé, concluded an agreement with Revlon for the sale of its mass-market perfumes and cosmetics, last June. These activities had been acquired in December 1986 by Yves Saint Laurent through the acquisition of Charles of the Ritz. If the sale to Revlon is taken into account, the Yves Saint Laurent perfumes have been acquired on the basis of a p/e of 16.5. The share holding structure of CERUS, in which the De Benedetti group holds 40%, has been reinforced by the acquisition of a 3% stake by Shearson Lehman (American Express Group), which is already a shareholder in Cofide in Italy and in Cofir in Spain.

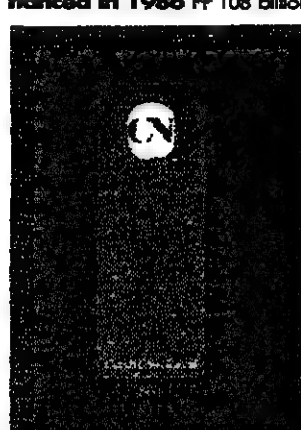
CREDIT BANK

CREDIT BANK A.E. ranks fourth among commercial banks in Greece and is the largest private sector bank. In 1986 assets increased by 28% to Dr. 439,437 million (US\$3,255 million), deposits by 26% to Dr. 232,336 million (US\$1,674 million). Loans and advances by 36% to Dr. 113,023 million (US\$814 million) and net profits by 82% to Dr. 1,841 million (US\$13 million). As a result, the market price of Credit Bank's share, rose from Dr. 1,750 (31 Dec. 1985) to Dr. 3,570 (31 Dec. 1986) to Dr. 11,400 (31 Aug. 1987). The Bank, acknowledged as one of the most innovative, maintains 117 units all over the country and a network of 50 Automatic Teller Machines. On May 5, 1987 the Bank increased its share capital to Dr. 3,300 million by issuing 440,000 new shares.



CREDIT NATIONAL

1986: a varied range of loans to meet all corporate needs. New long term loans: FF 15 billion (U.S.\$23 billion); loans outstanding: FF 72 billion (U.S.\$111.1 billion); investments financed in 1986 FF 108 billion (U.S.\$167 billion). Fund raised in 1986: FF 13 billion (U.S.\$2 billion). Medium and small-sized businesses accounted for two thirds of the clientele. Product ranges loans carrying fixed, variable, or adjustable interest rates with maturities of one to twenty years, in French francs or foreign currencies; lines of credit; equity financing; equipment lease financing. Other services: legal and financial engineering; business appraisals, mergers and acquisitions; financial and economic analysis; diagnostics and financial consulting.



DAIMLER-BENZ AG

In 1986 Daimler-Benz was able to continue on its successful course of growth. Consolidated sales, of which one-quarter was accounted for by the new divisions AEG, Dornier and MTU, and three-quarters by the traditional automotive sector, rose 25% to over DM 65 billion. Demand for Mercedes cars once again exceeded our production capabilities. In the highly competitive commercial vehicle business, Daimler-Benz maintained its leading market position as the world's biggest manufacturer of trucks upwards of 6 tonnes. Altogether, the new divisions in the group succeeded in raising sales and employment. Operational results continued to be encouraging in 1986, above all because of favorable developments in the car sector, and amounted to DM 1,767 million for the group as a whole and DM 1,404 million for Daimler-Benz AG.



DUBOIS INVESTISSEMENTS

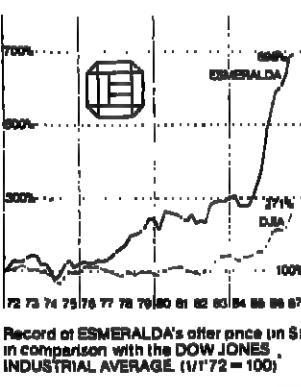
The Dubois Investissements Group is France's leading DIY retailer, with 81 hypermarkets carrying the Castorama sign. 1986 highlights:

- sales were up 20.5% to F.Fr. 4,756 billion;
- Funds provided from operations rose 35.5% to F.Fr. 178.6 million;
- Consolidated net current income was up 26.2% to F.Fr. 64.1 million;
- Attributable income totalled F.Fr. 34 million, 26.9% up from the 1986 figure of F.Fr. 26.8 million. The Group is continuing its expansion in 1987, with the opening of 5 new stores and forecast sales of F.Fr. 5.6 billion.



ESMERALDA International Investment Fund

ESMERALDA, quoted on the Luxembourg Stock Exchange, is an international investment fund established in 1972 according to Dutch law. The investment activities of the fund are mainly directed to investment in the shares of corporations. ESMERALDA selects with care the objects it invests in and diversifies these throughout a number of countries and sectors. Currently, the investment fund has a worth of approximately \$100 Millions. During the past 10 years the achieved results of investment, measured in US Dollars, averages 18% annually. For further information on the investment opportunities the ESMERALDA Fund offers you: ESMERALDA International Investment Fund P.O. Box 76, 1000 AB AMSTERDAM, The Netherlands. Tel. 31-20-55 02 322 Telex 10877



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F.P. Special Assets Ltd.

F.P. Special Assets Ltd is a public listed Hong Kong company specialising in the acquisition of undervalued assets and special situations to create value for its shareholders. F.P. Special Assets Ltd is an active, deal-doing company whose management concentrates on a small, focused portfolio of property and company assets in the Asia-Pacific region, exploiting the gap between the market's perception of value and the asset's real value. Since its founding in December 1985 to June 30 1987, F.P. Special Assets Ltd has increased its net asset value per share by 381 per cent (undiluted basis).



GAN

Chairman and Chief Executive Officer: François Heilbronner. 1986 revenues: FF 19.6 billion. Consolidated net income: FF 1.37 billion. After a year of strong growth in 1986 (with revenues up by 16.6%), GAN has opted for performance through innovation in response to changes in the French insurance environment. The reform of insurance law, privatization in prospect and increasing competition are all accompanying the emergence of new insurance requirements. Nor should one forget the advent of the single European market, open to all European companies, in 1992. GAN's innovative commercial policy and growing internationalization demonstrate its determination to serve its clients as an active partner in their projects.

RAPPORT ANNUEL 1986



Hutchison Whampoa Limited



HWL is one of Hong Kong's largest and most profitable corporations, holding a solid and diversified portfolio of leading companies involved in property development and management, import and export, retailing, quarrying, telecommunications, container terminal operations, power generation and supply, oil and gas, and China trade. With net assets of U.S. \$1.25 billion, net profits in 1986 of U.S. \$280 million and a strong recurring cash flow, HWL is in an excellent position to expand at home and abroad. The Group, through an associated company, also has a 43% interest in Canada's Husky Oil.



Industriekreditbank (IKB)

"The bank Committed to Enterprise" is the only nationally active German bank that lends exclusively to corporations. For this reason, the first part of IKB's 1986/87 annual report is devoted to matters of special interest to companies. IKB also reports a highly successful 1986/87 business year. Claims on customers rose by DM 1.9 billion to DM 14.2 billion, with net interest income growing by 13.7% to DM 256 million. Although issuing domestic bonds continued to be the major source of refinancing, funding from the Bank's own foreign bond issues grew at an even higher rate. Capital resources amounted to DM 746 million — 24% above the previous year's figure. Proposed is a dividend of DM 8.00 per DM 50 nominal share of the increased capital.



DP America Growth Fund

DP America Growth Fund (DAGF) has been established in December 1985 to provide investors with a means of investing in small and medium-sized U.S. corporations with above average long term growth potential. The shares of these companies are mainly traded on the NASDAQ-NYSE market, one of the largest stock markets in the world. The companies in which DP America Growth Fund invests should meet certain fundamental conditions: on market position, financial strength, quality of management and product innovation policy. The primary objective of the fund is to achieve capital growth on the longer term.



DP Asset Management Inc., an American joint venture of Persch, Holding & Partners, acts as investment advisor. DP America Growth Fund has the status of an open ended investment company incorporated under the laws of the Netherlands-Antilles and is based in the position to issue and repurchase shares. Issue and repurchase of shares can take place at each time word end day of the week at the net asset value per share, after addition or deduction of expenses (1% and 1.5% respectively). The shares of DP America Growth Fund, denominated in U.S. dollars, traded on the Amsterdam Stock Exchange. The share price is based on the net asset value and daily quoted in the newspaper. Investors may purchase and sell shares through bank and brokers. Information: Persch, Holding & Partners, Kerkstraat 23, 1015 DH Amsterdam, The Netherlands, tel. +31-20-211188

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RHÔNE-POULENC

Rhone-Poulenc, the leading French chemical and pharmaceutical group operates in 140 countries and generates 70 % of its net sales outside France. Rhone-Poulenc's activities are organized into five sectors: Chemicals, Health, Fibers, Agrochemicals, Media. In 1986, the group generated consolidated net sales of 52.7 billion francs and a consolidated net income of 2,000 billion francs. The net financial debt to equity ratio progressed from 1,5 to 1,1 over the year, and this after financing 5 billion francs in investments and 5 billion francs in acquisitions.

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IHT6

SPORTS

Denmark-Wales Rematch Promises Crucial Test of Elkjaer's Fearlessness

To set the cause above renown
To love the game beyond the prize,
To honor, while you strike him
own.
The foe that comes with fearless
—Sir Henry Newbolt, 1862-1938.

International Herald Tribune
LONDON — Even today, the
great causes are won by men who
are least.

Eighteen nations are vying for
crucial European championship
qualifying matches this week, and
nowhere will battle be fiercer than
in Copenhagen.

The earth may move a little there
some Wednesday. Denmark vs.
Wales is a game out of all proportion
to the weight of two small
nations in international affairs.

Wales will fight — perhaps literally,
the last cause; to harass the
enemy and strike when he is weary,
victory would guarantee Wales's
first major finals in 30 years and
wipe away the bitterness of recent
World Cup dismissals.

Denmark, by contrast, has
scooped the very pinnacle of fulfill-
ment. But the cavaliers who thrived
in 1986 have nose-dived into
astonishingly swift decline.

Like men suddenly ravaged by
haze, the Danes have lost poten-
cy and belief. These, remember, are
the same Danes whose devil-may-
care skills thrashed those disgraceful
Uruguayans bullies at the last
World Cup. The June heat was at
its height. Yet Scandinavian blood
was higher.

Morten Olsen led through stealth
from the back, Soren Lerby polished
rough, Jesper Olsen untangled
above all, Preben Elkjaer and Michael
Lundrup were instillable. I
bought Lundrup the supreme per-
former with his fine, rippling thrust
and, that day, his courage. Yet Elk-
jaer again outscored him.

Center-forward Preben Elkjaer: On the rampage, undaunted.

No center-forward has more
willpower. Elkjaer, on the rampage,
will not be daunted. At just over 6
feet and 161 pounds (1.83 meters,
73 kilograms) he is called the Bison.
Shown the whites of goalposts,
Elkjaer's eyes really are fearless. He
simply doesn't see (or apparently
feels) bruises or, like the Urugu-
ayans, he leaves like jetsam in his
wake.

He scored three times in that 6-1
cup victory, bringing to 36 his tally

ROB HUGHES

in 55 internationals. And although
Denmark ran out of steam against
Spain a few days later, we felt we
understood — too much running,
too much excitement sapped by the
Mexican sun.

Yet Denmark seems never to
have regained confidence. In its
five European championship qualifi-
cations since, it has netted only three
goals, all from midfielders.

Elkjaer has admitted that he and
Lundrup became like lost kids try-
ing to find the classroom. Baffling.
Is it age? Elkjaer has just turned
30. His style plumbs physical and
mental depths, yet a year and a half
cannot have destroyed his whole
team. Morten Olsen, for example,
is now 38, but still, with 90 caps,
marshals a mean defense.

Is injury hampering them? Elk-
jaer and Lundrup, in common with
many super-rich star forwards, get
their teeth and run through pain.

Can Denmark's nerve be short?
Has manager Sepp Piontek tem-
pered with attacking instincts?

Not by the way Elkjaer, for one,
galloped forward in Cardiff a
month ago. Denmark lost and
Wales won, 1-0, because impossi-
bly object beat irresistible force.

"We closed them down very
quickly," beamed Mike En-

gland, whose job as manager is still
on the line.

For quickly, read brutally.
Wales hit from all sides with
shameless blood and thunder. At
one time three Welsh bloodhounds
caught their quarry simultaneously
in the ribs, windpipe and back.

Danish bodies squirmed in the
mud, and one-time England for-
ward Kevin Keegan, these days a
television voice, gave the profes-
sional verdict:

"People might say that's not
football, but it's no good pretend-
ing you're something you're not. If
Wales had let the Danes play,
they'd be out of Europe. I think
they done tremendous."

Nonsense. The man who "done
tremendous" was not one of the
things chopping down Danes in
midfield. It was Neville Southall, a
goalkeeper defying injury to per-
form one of the great saves when he
jackknifed through space to turn
away a thunderous Elkjaer shot.

Southall was not blocked the
goal in Copenhagen. On Monday
he lost an argument with doctors
who refused his pleas for injections
to mask the pain of a back injury.
Southall has been warned that
painkillers might risk permanent
crippling.

The remaining world-class oppo-
nent for Elkjaer, his opposite num-
ber Ian Rush, is fit in body but
troubled in mind. The two were
called to a rehearsal 10 days ago,
when Elkjaer scored twice for Wel-
sh and Rush got scarcely a de-
cent kick for Juventus.

Aware, no doubt, of the Copen-
hagen battle ahead, Elkjaer roared:
"Rush? Was he playing? He didn't
score, did he?"

Such sportsmanship! Elkjaer
made no such denigration out of
the misfired display of Rush's chief
provider at Juventus — Lundrup,
with whom Elkjaer will share the
efforts on Wednesday.

This bewildering switching of al-
legiances surely did not happen in
Admiral Newbolt's era; today it is
normal, mercenary business. So in-
stead of Lundrup, Rush will have
Mark Hughes as partner.

Hughes is a man of flare and fire.
His desire will be stoked to burst-
ing point because he has spent six
months imprisoned as a reserve at
Barcelona.

Barcelona's is an insane, dehu-
manizing system. It is the latest
at upward of \$200,000 a season,
and neither makes use of him nor
loans him to someone who might.

It watches his confidence wane,
although there is now hope that
Bayer Munich or Manchester
United will come to his rescue if he
stars in Copenhagen. I hope he can
keep his desperation within the
bounds of sporting legality.

Yet for the game — for soccer,
and not fighting — I hope and
expect Denmark will get off the
floor.

Its cause, not quite lost, is more
important than any of the qualify-
ing matches (including England vs.
Turkey, Spain vs. Austria and Swit-
zerland vs. Italy) across the con-
tinent.

Besides, Elkjaer is running him-
self into form. And his is among the
deepest and oldest of motivations:
He is one of nature's true competi-
tors. He wouldn't want a European
championship to take place with-
out him.

Pitching Gambles Help Twins Win World Series Trip



On three days' rest, Minnesota's Bert Blyleven, 36, went six innings to win the clincher.

Minneapolis: Delighted Disbelievers

MINNEAPOLIS — After two decades of watch-
ing Yankees, Orioles, Royals and other teams win
pennants, thousands of Minnesota Twins cele-
brated a night they thought they might never behold.
"It's really hard to believe your own home team is
going into the World Series," said Chris Peterson, 20,
who was among approximately 50,000 fans who
packed the Metrodome Monday night to welcome
the American League champions home from Detroit.
"I wouldn't trade this moment for anything."
Peterson said over a din not typically Minnesota.
"I wasn't even born the last time they won a pen-
nant. This is exciting. This is history."
The boisterous rosters welcomed home their
champions with dozens of banners and displays of
"home run" and "World Series" signs. The Twins
last year's World Series victory in 1985. The Twins
last year's World Series victory in 1985. The Twins
last year's World Series victory in 1985.

came to the roof. "We didn't think the upper deck
would fill up at all," said user Scott Beale, 36,
turning back fan after fan looking for seats in his
section. "This is great."

Heading downtown was the logical extension of a
party that began in offices, bars and living rooms
late Monday afternoon, when pitcher Jeff Reardon
snared a ground ball and tossed it to first baseman
Kent Hrbek for the out that gave Minnesota the
league championship series by four games to one.
For some, the baseball was secondary to the
celebration. "The Twins gave Minnesota people a
chance to get together and have a party," said
Melissa Perry, 23, who said she had just learned that
baseball games don't have halftimes.

Paul Sehnisen, 32, who said "my office was
bedlam after the final," recalled Minnesota's last
World Series appearance, in 1965. His grade
school classroom kept score while listening on the
radio, he said.

SCOREBOARD

Football

U.S. College Standings

Team	W	L	T	W	L	T
Alabama	10	0	0	10	0	0
Arkansas	9	1	0	9	1	0
California	8	2	0	8	2	0
Florida	7	3	0	7	3	0
Georgia	6	4	0	6	4	0
Michigan	5	5	0	5	5	0
Nebraska	4	6	0	4	6	0
Oklahoma	3	7	0	3	7	0
South Carolina	2	8	0	2	8	0
Texas	1	9	0	1	9	0
Washington	0	10	0	0	10	0

Tennis Leaders

Player	W	L	W	L
Andre Agassi	10	0	10	0
John McEnroe	9	1	9	1
Jimmy Connors	8	2	8	2
Tim Likhner	7	3	7	3
Kevin Curren	6	4	6	4
John Newcombe	5	5	5	5
Chris Evert	4	6	4	6
Evie Sayers	3	7	3	7
Barbara Fritsch	2	8	2	8
Ann Kiyomaki	1	9	1	9
Pat Doherty	0	10	0	10

Baseball

Playoff Summary

Team	W	L	W	L
Minnesota	10	0	10	0
Los Angeles	9	1	9	1
San Francisco	8	2	8	2
St. Louis	7	3	7	3
Philadelphia	6	4	6	4
San Diego	5	5	5	5
Chicago	4	6	4	6
Atlanta	3	7	3	7
San Francisco	2	8	2	8
Los Angeles	1	9	1	9
San Francisco	0	10	0	10

Hockey

NHL Standings

Team	W	L	W	L
Montreal	10	0	10	0
Quebec	9	1	9	1
Winnipeg	8	2	8	2
Edmonton	7	3	7	3
Calgary	6	4	6	4
Los Angeles	5	5	5	5
San Francisco	4	6	4	6
San Francisco	3	7	3	7
Los Angeles	2	8	2	8
San Francisco	1	9	1	9
San Francisco	0	10	0	10

NFL Union Suggests Strike Mediation

ROSEMONT, Ill. — For the
second week in a row, the strik-
ing National Football League play-
ers union has come up with a plan that
avert the mass defections that
had been predicted for this week.
But once again the owners may
set it, setting up a third week of
times played by replacement play-
ers and those who choose to cross
the picket line.

"No," Jack Donlin, executive di-
rector of the owners' management
council said when asked if he
sought the council's executive com-
mittee would approve the proposal
then it met Tuesday in New York.
The new plan emerged from a
4-hour meeting Monday of the 28
owner representatives. The players
could agree to return while a fed-
erated mediator tries to resolve the
dispute for six weeks; if that failed,
the strike would then go to binding
arbitration.

"We think this is a fair way to
all the dispute," said Gene Up-
degraff, executive director of the
union. It was the first time during
the negotiations that the union
agreed to mediation.

But the owners want no part of
arbitration, although it's
possible they might be willing to
limit specific economic issues to
arbitration. "We told Gene many
times and I don't think we'll do
it," Donlin said.

If the owners do reject the play-
ers' proposal — which also de-
mands that the 1982 contract be
renewed, that striking players re-
main on their rosters and play-
ers and alternates be protected —
a question is how many players
will cross the picket line.

Last week there were 37 defec-
tions, fewer than expected after the
syringes seemed to back off their
stand for unlimited free agency.
At least six days of negotiations
at broke off Sunday with free
agency still a major obstacle to set-
tlement of the three-week walkout.

Monday's player rep meeting
at place would reports that defec-
tions might triple or quadruple this
week, particularly on teams that so
have remained solidly on strike.

To date 133 of the 1,585 players
under union jurisdiction have re-
turned to work.
In announcing the new plan, Up-
degraff raised the possibility that re-
jection by the owners would mean a
season-long strike. "I would say if
the owners decline this," Updegraff
said, "then we're out for the dura-
tion, out for the year."

But rejection also would raise the
possibility of mass defections by the

reporting date Wednesday as play-
ers face the prospect of losing their
fourth paycheck of the season —
one quarter of their yearly salary.
Meanwhile, the owners are feeling
pressure too. While Sunday's at-
tendance was up from the first week
of strike games, television ratings con-
tinued to decline. In overnight rat-
ings from 15 cities, NBC and CBS
had respective viewership declines
of 13 and 14 percent from last week.

SPORTS BRIEFS

Tour de France Is Shortened for 1988

PARIS (UPI) — Limited by new international cycling rules on
the duration of a race, the 1988 Tour de France will be one of the shortest in
decades. The itinerary, announced in Paris on Tuesday, will cover 3,231
kilometers (2,013 miles) instead of the usual 4,100.

Organizers of the tour denounced the new rules, which restrict the race
to 22 days and three weekends instead of the habitual 24 or 25 days. The
tour will start July 4 in Brittany, western France, travel clockwise around
the country and end July 24 on the Champs-Elysees in Paris.
Alpine stages have been reduced to one day of climbing and a time trial
instead of the usual two or three days of climbing. The usual two days in
the Pyrenees have been retained, but the prologue, or short time trial, that
has opened the tour for decades has been dropped.

NBA Sums Ownership Changes Hands

DALLAS (UPI) — The National Basketball Association's board of
governors on Monday approved the sale of the Phoenix Suns to a group
headed by the team's general manager, Jerry Colangelo, for a record \$44.5
million.

Colangelo identified Greyhound Corp. and Eldorado Investment Co.
as two of the new partners, in addition to a group of Arizona business-
men. The former ownership, headed by Californian Richard Blum, will
remain as a limited partner. Colangelo said the new group will assume a
debt of about \$10 million.

The most recent expansion franchises — Minneapolis, Charlotte,
Miami and Orlando — had been sold for about \$32 million apiece, the
previous NBA high.

For the Record

Joe Dadek ran for 128 yards and two touchdowns to lead the Broncos
to a 30-14 National Football League victory over the Los Angeles Raiders
Monday night; the crowd of 61,230 in Denver was the largest to attend a
game so far during the player union strike. (UPI)

Quotable

• Third baseman Gary Gaetti of underdog Minnesota, after the Twins
beat Detroit in five games for the American League pennant: "Anything
can happen in a short series, and you just saw it happen." (WP)

College Top-20 Polls

The top 20 teams in the Associated Press
college poll (first-place votes in parentheses)
are: 1. Oklahoma (47), 2. Nebraska (32),
3. Miami, Fla. (24), 4. Florida State (19),
5. Auburn (14), 6. Texas (13), 7. Texas
Tech (12), 8. UCLA (11), 9. USC (10),
10. Michigan (9), 11. Notre Dame (8),
12. Oklahoma State (7), 13. Syracuse (6),
14. Arkansas (5), 15. Oregon (4), 16. Penn
State (3), 17. Georgia (2), 18. Georgia
Tech (1), 19. Washington (0), 20. Indiana
(0).

NFL Standings

AMERICAN CONFERENCE
East
Buffalo 10-0
Pittsburgh 9-1
Cincinnati 8-2
Cleveland 7-3
Indianapolis 6-4
Houston 5-5
Jacksonville 4-6
Miami 3-7
New England 2-8
New York Jets 1-9
New York Giants 0-10
Philadelphia 0-11
San Francisco 0-12
Seattle 0-13
Tampa Bay 0-14
Washington 0-15
Winnipeg 0-16
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Winnipeg 0-20

Transition

BASEBALL
BALTIMORE — Released David Ruffalo,
catcher; Mike Hart, outfielder; and Terry Ar-
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Mike Hart, outfielder; and Terry Armond, pitcher.
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OBSERVER

Block That That Cursor

By Russell Baker

NEW YORK—The wonderful thing about writing with a computer instead of a typewriter or a lead pencil is that it's so easy to rewrite that you can make each sentence almost perfect before moving on to the next sentence.

An impressive aspect of using a computer to write with is that it's so easy to rewrite that you can make each sentence almost perfect before moving on to the next sentence.

What a marked improvement the computer is for the writer over the typewriter and lead pencil. One of the drawbacks of having a computer on which to write is the ease and rapidity with which the writing can be done, thus leading to the inclusion of many superfluous terms like "lead pencil," when the single word "pencil" would be completely, entirely and utterly adequate.

The ease with which one can rewrite on a computer gives it an advantage over such writing instruments as the pencil and typewriter by enabling the writer to turn an awkward and graceless sentence into one that is practically perfect, although it is.

The writer's eternal quest for the practically perfect sentence may be ending at last, thanks to the computer's gift of editing ease and swiftness to those confronting awkward, formless, nasty, illiterate sentences such as

Man's quest is eternal, but what specifically is it that he quests, and why does he

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Chuck Berry at 'Sweet Little Sixty'

By Richard Harrington

Washington Post Service

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But don't call Berry the king of rock 'n' roll to his face. "What the heck is a king? I'm a cog in the wheel. My portion might have been greater than some other guys', but some other guys' I'm sure was greater than mine in some avenues. It's not me to tout my horn."

Tooting Berry's horn is what the director Taylor Hackford and the Rolling Stone Keith Richards do in the documentary, "Chuck Berry: The Last of the Rock 'n' Roll." It mixes performance footage from Berry's 60th birthday celebration concert last year at the Fox Theater in St. Louis with interviews with Berry and some of the artists he influenced.

At the same time, "Chuck Berry: The Autobiography" has just been published in the United States by Harmony Books. Written (quite noticeably) without a ghostwriter, the book represents seven years' worth of Berry's life on a word processor. It details his family background, the origins of his music, the early days of rock 'n' roll, his three prison sentences (for armed robbery in 1944, violation of the Mann Act for transporting an underage girl across state lines for immoral purposes in 1962 and income tax evasion in 1979), as well as his numerous affairs during his 40-year marriage to Themetta Berry, mother of his four children.

Berry has been called "the poet laureate of rock 'n' roll," and his writing, like his speech, is decidedly colorful and folksy. "I decided to let it go out as it is," he says in the book, "raw in form, rare in fact, but real in fact. No ghost but no guilt or gimmicks, just me."

Between the book and the film, he says with a smile, it must be time to remind the world "that I'm still alive."

At six feet and 180 pounds, he's still the wiry, rakish handsome man of his early publicity stunts. "Unfair! Unfair! I shout. 'Shouts Berry, who will turn 61 Oct. 18. 'I'm not a second younger than I would have been if I was real older looking. That's a scientific fact but people seem to forget science.'"

Charles Edward Anderson Ber-



Chuck Berry at his 60th birthday celebration.

ry was born in St. Louis in 1926, one of six children of Martha and Henry Berry. His father was a hairdresser and cosmetologist. But Berry also started playing again, joining the pianist Johnnie Johnson's group and eventually becoming its leader.

In his teens, Berry was given a guitar and soon started playing at parties, but the career he didn't know awaited him was derailed in 1944 by three years in reform school for armed robbery. Released, he moved back home,

working for his father and at an automobile plant, studying to be a hairdresser and cosmetologist. But Berry also started playing again, joining the pianist Johnnie Johnson's group and eventually becoming its leader.

In October of 1948, Chuck Berry and Themetta Suggs were wed. By 1954, with two children, Berry knew his only real shot at success was a recording contract. At Muddy Waters' suggestion, he contacted Leonard Chess in Chicago. Chess, who would also record Bo Diddley at about the same time, auditioned Berry and sent him home to write some songs—something that had nev-

er occurred to him until then. But in the week between the audition and his first recording session on May 1, 1955, he came up with "Maybellene," "Wee Wee Hours," "You Can't Catch Me" and "Thirty Days."

Many disc jockeys assumed at first that Berry was a teen-ager, but he was white and he was a country fiddler. (Jimmy Witherspoon said "if he was white he'd be the top country star"), and Berry's precise diction and lack of idiosyncratic blues inflections helped him become the first black artist to sell more to whites than to blacks.

Berry's most creative and successful years were between 1955 and 1959, when he wrote and recorded the songs that still resonate today (nine of which were in the Top 40). They were witty ("No Money Down") was a riotous catalogue of promises made in the car yards. They celebrated self ("Johnny B. Goode") and the music ("Sweet Little Sixteen," "Roll Over Beethoven"). And they spoke to the restlessness of a new generation ("School Days" and "Almost Grown").

"I definitely catered to the teen-agers," he says, "but also some to the adults. I didn't leave out the adults, or the swing, the thing that brought me up."

MCA will release a sound track from "Chuck Berry: The Last of the Rock 'n' Roll" as well as reissue the classic recordings that have been in corporate purgatory since Chess Records was sold back in 1975. And, Berry says, he has 14 newly penned songs for a future MCA album.

Writing rock 'n' roll songs at 60 is a bit of a challenge, he admits. "It's difficult in a sense. I do not want to, and should not, write the same. It's been 30 years since I've written the songs that are now his. I'm much more mature and I have much more sense and I can't get in that frame of mind. I have to write along with the times."

"Some of these new songs have great teachings and I want to reach the kids because it's the young people I want to teach. I can't use big words, and I can't use strings, so I must do it in rock and get the lyrics out about some of the habits that I made mistakes with."

PEOPLE

Cronkite Assails Radio

Then Tempers Remain

Walter Cronkite, the CBS

news anchor man said that he

deserved to lose his job for

the set of a delayed broadcast

and that there was no reason

for forcing the network to go back

for six minutes. "I can assure that

in five words: I would not have

him," Cronkite told The New York

Times. The University of Texas

student newspaper. Later, however,

he tempered his remarks, saying that

Rather, his successor at CBS had

made great contributions to the

network and adding, "I don't know

what I would have done." Rather

left the anchor desk when the net-

work continued broadcasting a

U.S. Open tennis match Sept. 11

instead of "CBS Evening News," but

the tennis wrapped up quickly and

before Rather could be brought back

the network feed to affiliates was

blank for six minutes. "Walter's

remarks do not reflect the position

of CBS News and we disagree with

them," the CBS News spokesman

Tom Goodman said. Cronkite is a

member of the network's board of

directors.

□

When Ida Nudel, one of the Soviet

Union's most celebrated refuseniks,

arrives in Israel Thursday on

industrialist Armand Hammer's

plane, among those greeting her in

her new homeland will be James

Fondas and her husband Tom Hay-

den. Nudel, 56, who had been

struggling for 16 years to emigrate

to Israel, will live there with her

only living relative, her sister, Elina

Friedman. Fondas and Hayden were

actively involved in attempting to

persuade Soviet authorities to per-

mit Nudel to emigrate. Nudel

learned this month that she could

join her sister in Israel.

□

Sir Yehudi Menuhin, the 71-

year-old American-born violinist,

has been awarded the "Golden

Viola" prize in Veroli, Italy, for

the accomplishments of his 60-year

career. The prize is named after the

18th-century Italian violinist and

composer Giovanni Battista Viotti.

□

The Italian automobile tycoon

Gianni Agnelli broke his right thigh

in a fall at his home in Turin. The

66-year-old industrialist-finance-

ier is chairman of Fiat, Italy's largest

private auto maker.

□

TODAY'S

INTERNATIONAL CLASSIFIED SECTION

Appears on PAGE 20

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